THE CHINA WEEKLY REVIEW

密勒氏評論報

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December 27, 1947

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AN EDITORIAL

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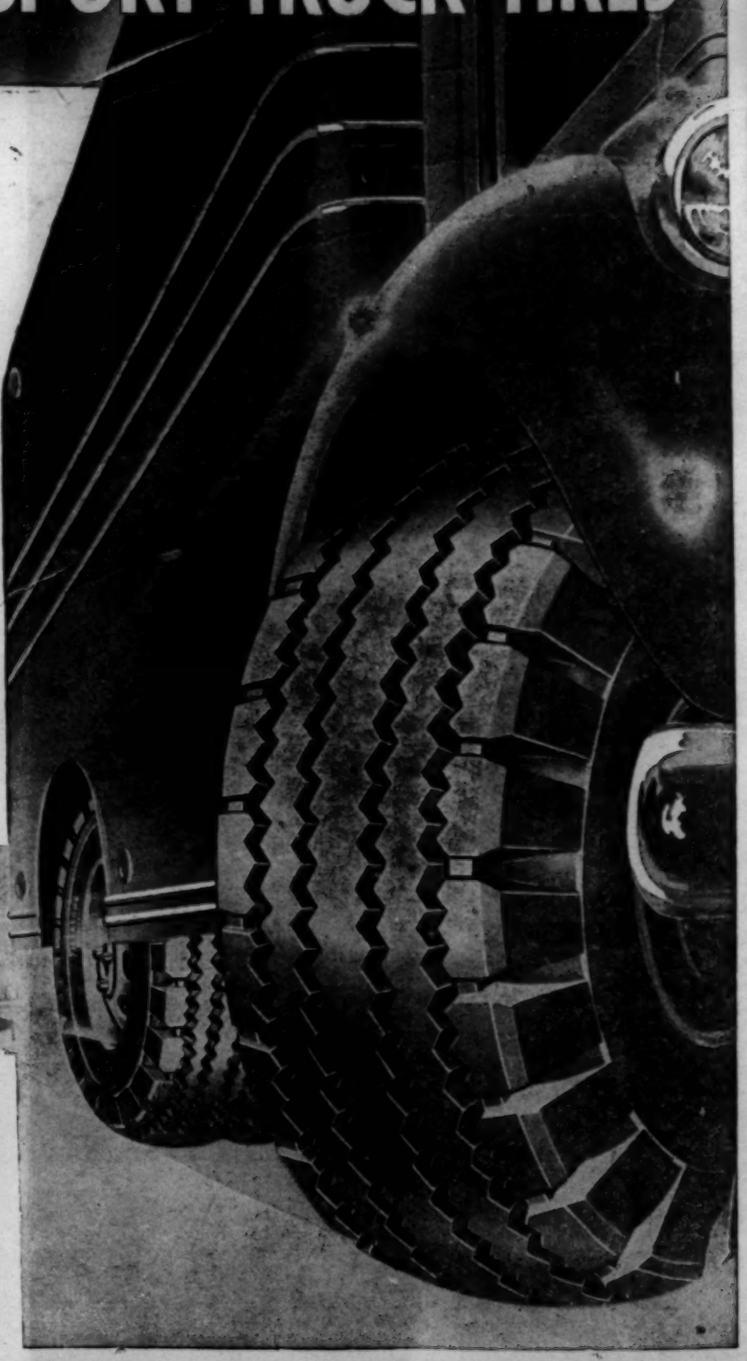

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

No Persecution

To The Editor:

Months ago the Government ordered that walls and other defensive work be built around every city or important town in Honan. Peasants were made to walk several miles to appointed places, carrying their own food, fuel and spades, and work day and night without pay. In the city of Tangho, more than 10,000 men, women and children were mobilized to work on the farms; many were beaten and sometimes whipped by the officers for their slow movements and idleness in working. Some pao chia chiefs were so badly beaten up they could hardly walk.

When the Communist general Chen Keng marched his troops southward, there seemed to be not a single soldier to resist them. Thus one city after another fell into their hands. Although thousands of soldiers were sent to Nanyang from Chumatien, they could only save Nanyang from falling.

To the people's astonishment, the Communist soldiers never troubled the peasants. They were very kind to the intellectuals, too. Two American missionaries in Miyang, a city 60 miles away, west of the Ping-han railway, were examined but passed safely. Massacre, burning, and religious persecution have not yet been heard of.

A refugee merchant said to me, "We are not afraid of the Red Armies; we are afraid of robbers and seesaw-wars. If the Red Armies could stay there firmly, I would not have fled here, for we are all Chinese and they do not mistreat us."

On board a military truck, I met some Nationalist soldiers. I asked one of them, "Do you believe that America will help us to fight?"

"That may be true and will be very good, but to stop the Civil War is still the best thing we can do," answered this young soldier.

I am afraid the Chinese people will all go with the Communists if the Government does not change its behavior toward them.

L. T.

Chumatien, Honan,
December 1, 1947.

By Hook Or By Crook

To The Editor:

The General Elections, that came to a conclusion on November 23rd after three days, mark the beginning of a new era in Chinese political history. It might have convinced the world that democracy has grown incipiently in China, had not irregularities and corrupt practices by certain persons with axes to grind marred the proceedings.

According to the Ministry of Information, 260,000,000 voters exercised their franchise, with the result that the Kuomintang members won a landslide victory throughout the country. Such a story may give the world the erroneous impression that the Chinese people were enthusiastic over the affair, and that the Kuomintang is still popular among the Chinese people. But with the removal of its sugar-coating and exposure of its contents, it will vanish away like a wisp of smoke in the thin air.

The Kuomintang members were named

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even under the cloak of vocational groups' nominees. Except for a paltry number of seats that were allocated to the members of the Young China Party and Democratic Socialist Party, the chance for non-partisans to sit in the National Assembly was very slim. It is a fact that the pao chia system, a relic of the Japanese occupation, makes itself a useful implement for the success of the Government. In many districts, only a few voters were noticed casting their ballots in the polling booths, but the results were numerically multifold. The people in urban areas are usually more conscious and sensitive than the people in rural areas. That Kuomintang members gain more support in rural areas than in urban areas gives one much food for thought. Furthermore, many candidates unscrupulously resorted to sordid and underhand ways and means in their campaigns, reminiscent of the bribery scandal when General Tsai Kun was elected as President of China during the early twenties of the current century. An old Chinese saying reads: With wealth and influence, nothing is unattainable.

As reported by the *Associated Press*, five members of the Young China Party were killed and 200 others arrested for rivalry over the election in Szechuen Province. *Fei Pao*, a local tabloid, stated in its November 28th issue, that the government had received 8500 complaints of irregularities and corrupt practices in the General Elections. It seems to me that the Kuomintang members tried to win the General Elections by hook or by crook. Should they spare a portion of their efforts to redress their own corruption, incompetence, etc., the so-called "Communist bandits" would not be so hard a nut to crack now.

B. C. S.

Shanghai,
December 14, 1947.

On The Vicious Decline

To The Editor:

The wild upheavals of education witnessed in this country have brought about a state of turpitude in most learning institutions, highly inimical to cultural welfare. The present day educational system which is at the root highly inimical has been a subject of a vast range of anachronisms aimed at disintegrating education terribly, apart from rending the moral fabric of the nation. Despite the great number of the educational institutions in existence, it has been made apparent that education is on the vicious decline.

The questioning of some students who have the inside dope about actual conditions in some of the said institutions, elicited the information that those young men stay there just to kill time, as most of the establishments of the said kind reek with anomalous depravities and are absolutely devoid of discipline. The degenerate influence there is bound to ruin any youth, though the false impression prevails that they are the very places where the average youth may get an education. Moreover, in the said establishments most of the so-called educators are good for nothing.

Deliberately making a bold face, they often resort to fraudulent practices by teaching nonsense, on account of their deficiency in education. The preposterous idea has entered their heads that they belong to the class of educators and have the right to make it impossible for any student to pass his examination, without showing the least sense of responsibility if the student is intelligent and cannot put up with the nonsense and limitations fostered by them.

To illustrate the fact in question, I

need to give an instance. My son, Shilin, has been specializing in English for three years under my own tutorship. Well-founded in grammar, he is able to write and speak simple English. Besides, he has always taken an intense interest in the English language. He entered the national Tung Chi Middle School where he pursued studies in the first year, junior, following my demobilization from Szechuen.

Consequent on the insufficient facilities of national communication, he arrived here extremely late. His arrival was so late that he entered the said school late. It was hardly two weeks after his admission to the school when the final examination of the first semester took place. Naturally he could not make a good showing in many subjects but had no exemption, as a consequence, in the ultimate examination of the whole academic year which took place five months ago.

To my surprise, I have recently received a note from the school authorities requesting my son to withdraw from the school under the pretext that my son is not up to standard in five subjects, including English. To say nothing of the other subjects, the subject of English alone is quite enough to reveal the inconsistencies in their excuse. What perplexed me most is the irrational conduct of the school authorities. In the same class there were with my son many students who have been allowed to pass in English though their standard is much inferior to my son's and some of them cannot as much as understand the 26 letters of the English language alphabet.

By what stretch of imagination the school authorities have demonstrated such an ulterior motive, I fail to see, but it is out of place for me to point out here that my son on many occasions was not satisfied with the absurd corrections and explanations of the school's teachers and pointed out their silly mistakes for which he stirred up enmity. So far as I know, once the teacher taught an English lesson in which a sentence appeared as: "When we eat, we must chew it carefully instead of swallowing it;" my son rose up and asked the teacher whether it was right. The teacher looked blank at first and then said that it was certainly right. Upon hearing this unsatisfactory reply, my son pointed out that the sentence would not make sense unless it was corrected to read: "While eating, we should chew well before swallowing."

Similar instances may be multiplied, but it is not my purpose here to find fault with the school's teachers. I only wish to bring the monkey business of the school to light. On the whole, it is obvious that my son has been enjoined to leave the school just because he incurred the enmity of the school's teachers. A most ludicrous thing about the school is that most of the students who are closely connected with the prominent functionaries of the school can enjoy the privilege of continuing their stay there no matter how low their educational level may be.

It is said that a number of the privileged students can still be found staying there though they have remained in the same class for many semesters after descending down from the higher class. Their standards are hopelessly low in every subject. Nevertheless, the school authorities have never enjoined one of them to withdraw from the school. What the tendency of the school authorities is can be better imagined than described.

The said school is a national establishment, a subordinate of National Tung Chi University. It is to be hoped that the conscience of the school authorities will be awakened from their narrow interests. It is also to be hoped that they will give a thought to the cultural wel-

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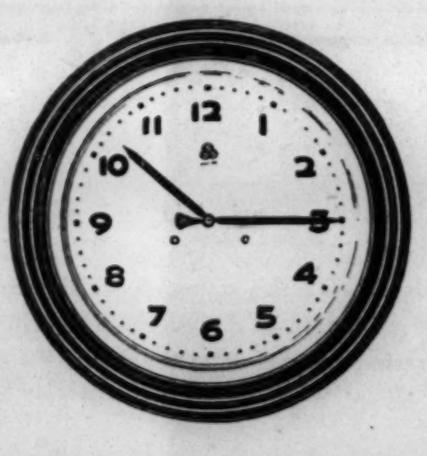

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fare of the country instead of regarding the school as their own property. For those so-called dignified educators to sink to such a low level as to doublecross the average youth in such a foul manner is indeed lamentable. The aforementioned state of affairs can serve as an eloquent testimony of the absurdities among many institues of learning in the country and calls for immediate elimination if a fine and bona fide education is to be turned out by our learning institutions.

EUGENE HWO.

Shanghai,
December 17, 1947.

Hitler's Friend

To The Editor:

I beg to opine that Mr. Bullitt's "Report on China" is a masterpiece of analysis of the situation in China. The world is entering the threshold of World War III, and the present chaos in China, caused by Red activities, resembles strongly that reigning in Austria and Czechoslovakia during the days of the Nazis onslaughts. In those days it was Nazism; today it is Communism. Byrnes saw it, tried to compromise with it but later decided to check it; Wallace saw it but thinks the world should endeavor to live with it. The late Roosevelt also saw it but he preferred it to the "Yellow Peril," which was then the immediate menace. Hence he traded "special rights and privileges" in Chinese Manchuria to the Soviets, for Russian "help." The outcome is that no benefit can be gained at China's expense.

Today, the trends are Communism, Pro-Communism, Tolerate-Communism, Stop-Communism and Anti-Communism, the last being the effort made in China. Like the Indian belief that all Indian rivers flow from the Himalayas, all Reds, originate from the Kremlin. If Communism is not stopped now, or, better defeated, there is little doubt that it is going to dominate the world, as Nazism would have done it it had not been crushed. Therefore, any aid to China now, military or financial, will contribute to checking the spread and growth of Communism. World War III can be averted just as some historians believe that World War II could have been averted.

For the benefit of those budding but innocent writers of "Letters from the People" in the *Review*, I would request them to read *Time's* issue of October 13, 1947, which gives a vivid, nonetheless logical account of Russia's war plans, according to which China was indicated as the "Key to Victory." Having conquered Europe, (except Britain), "All the best Russian forces could then be directed toward the Far East where the definitive struggles would begin in China. The Soviet Union would by then have at least 300 divisions available, further reinforced by the Chinese Communist armies. The war in Asia could be brought to an end within two years, according to Soviet estimates..." Call it falsehood, call it propaganda, call it anything one likes; but let's not forget the "Tanaka Memorial." It is going to happen, slowly maybe, but surely. For peace as well as for war, there is a price; in China it is being paid in "blood, sweat and tears." Call it Civil War, insurrection, KMT/Communists conflict, Party-dictatorship versus Democracy, or anything; but in main it is Stalin's hands on the strings. A. Hitler is still fresh in our minds; let's not overlook his former friend—Joe Stalin.

STOP-COMMUNISM.

Chungshan, Kwangtung,
November 28, 1947.

Concern Over Yang

To The Editor:

Ever since I became a subscriber to your *Review* in September of this year, I have read every issue. Among the "Letters from the People," a letter or two from Mr. Ever High Yang of Hangchow impressed me. Judging from the letters which he had written, Mr. Yang must be the type of Chinese intellectual who is greatly interested in the welfare of the common people. In the last few issues of the *Review*, however, I could no more find Mr. Yang's letters. Do you know what has happened to him? In a country where anybody critical of the Government may suddenly disappear or be taken away in secret, I am much concerned about Mr. Yang's safety.

J. B.

Nanking,
December 9, 1947.

Unsolicited Support

To The Editor:

After reading Mr. Yang Min Shih's letter, "Communist Leaflets," in the Nov. 29 issue of the *Review*, I could not help laughing. Being a reader in favor of your editorial policy, I could, under no circumstances, let such unfair remarks to the *Review* pass without comment.

Though not pro-KMT, the *Review* could in no way be branded as "the mouthpiece of the Chinese Communists." In my opinion, the *Review's* stand is a liberal one. It publishes articles that are free from any prejudice, regardless of what party the writers belong to. This is one of the main features of liberal publications and the attitude that all publications which consider their policy liberal, should take.

A glance at the articles appearing in back numbers of the *Review* would tell

Via CGRA

The conflict of principle and policy which the world witnesses today emphasizes with tragic reality the need of all men for the strength which can be found only in God's guidance, in the everlasting reality of religion. If we are to be saved from chaos and confusion, the formula must be spiritual. Only God can make men moral.

—HARRY S. TRUMAN.

●

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Via GLOBE

you that the *Review* does not agree with the Communists in many respects. Sometimes it criticized them and even attacks them. Could a party's mouthpiece ever be so foolish as to attack its own party? Of course not.

Furthermore, most of the personages, introduced in the column, "Who's Who In China," are members of Kuomintang; few are non partisan or belong to other minor parties, and none of them are Communists. So far there has not been space for the leaders of the Chinese Communist Party, such as Mao Tse-tung, Chou En-lai etc., who play such an important role in the political life of China—this, I feel compelled to say, proves that the *Review*, is a liberal publication. Could a party's mouthpiece ever be so foolish as to fail to introduce its leaders to the public?

In the column of "What Chinese Papers Say," the *Review* prints comments by the Kuomintang organs or those from the pro-KMT papers and the like. As to the comments made by the Communist Party organ, the *New China News*, we have seldom found them in that column, if ever. Even the column, "What US Papers Say," mostly introduces comments from the rightest papers. I feel compelled to say here again that the *Review*, as a liberal publication, has not done justice to those left-wing papers, whose opinions, no doubt, represent an important political trend, and therefore represent the wishes of a large group of people. Dear Editor; could a party's mouthpiece ever be so foolish as to shut its eyes to the comments made by a party organ? Of course not.

From the foregoing facts, one can easily see that the *Review* is far from the mouthpiece of the Chinese Communists.". It is, on the average, a good magazine dealing mainly with China. It attacks evil and praises good, and consequently, it reflects the opinions and wishes of the great mass of the people.

It is the liberal nature of the *Review* that has enlisted support from the people, and made it go ahead and keep abreast of the times.

Have courage, dear Editor; So long as you insist upon your right and fair editorial policy and remain firm on your liberal stand, you will certainly enjoy the support from the broad masses, who are omnipotent and will make your magazine invincible.

H. K.

Chungshan, Kwangtung,
December 10, 1947.

Bitter Experience

To The Editor:

Like everywhere else in China, the so-called Chinese democratic general elections in many districts of Hupeh were "outraged by violence and induced by bribery." Some candidates spent billions on bribes; some even resorted to pistols in order to win more ballots. In a word, all sorts of foul means were adopted during this great occasion, which many of us had been looking forward to with such eagerness and expectation. Needless to say how bitter a disappointment it is to me as well as to those who are longing for a life of democracy, liberty and peace.

K. C. HSIUNG.

Shasi, Hupei,
December 2, 1947.

Security Threatened

To The Editor:

I am a student of Chungking University. Being filled with anger and dread, I cannot help uttering a few words.

On October 23, Yeh Meng-chun, a girl student of 19, suddenly disappeared. On November 15, another girl student, Soong Lien-sze, disappeared. Everyone knowing these two students say they are good, innocent and plain girls, diligent in study, courteous and friendly to everybody. Of all their lessons, they like literature most. But they disappeared all the same. Major Chang of Chungking, as well as the chief of the police, declared that these two girls had corresponded with the Communists but refused to confess to the authorities' illegal action.

All the students burned with anger in their heart; we called a strike for a day in protest. Meanwhile, however, the Blueshirts and the school authorities prevented other effective actions.

According to law, no one can be arrested unless there is substantial evidence to establish his guilt. What crime had these two girls committed? How can we study in school peacefully and devotedly while our security is threatened again and again?

C. T. H.

Chungking, Szechuen,
December 8, 1947.

NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, in all instances the *Review* must be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

Soong Inadequate?

To The Editor:

When Dr. T. V. Soong was appointed governor of Kwangtung, the 300,000,000 people of this province, now living in an unbearably miserable situation, were given a new hope and enthusiastically looked forward to a brilliant future. As one of the foremost bureaucratic capitalists in China, Soong was believed to be capable of solving many a "gordian knot"—chiefly the problem of poverty in this province and the stabilization of the disintegrating economic system in South China. He also had the mission of suppressing the "bandits" in Kwangtung.

No sooner had he arrived at Kwangtung, than he called on the retired veteran general, Lee Foo-lin, requesting the latter to assume the responsibility of putting down the "bandits." Then he attended together with the governor of Kwangsi, Hwang Hsu Chu, the Kwangtung-Kwangsi Peace Preservation and Bandits Suppression Conference, at which they decided that the garrison forces of both provinces should be immediately overhauled and adjusted, to meet the demands of the present situation, and that besides the mutual military assistance pact between the two provinces, Kwangsi should furnish Kwangtung with the necessary rice and foodstuffs, in return for industrial machinery and raw materials. As to the promotion of the political welfare of the provinces concerned, no concrete measures were laid down.

Kwangtung people have been living under the most miserable conditions: suffering from the devastation caused by the recurrent floods and famine, in addition to despotic rule, graft and corruption; as a result, many people have been driven to join the bandit gangs. The government has repeatedly dispatched troops to suppress the bandits, but as the troops are so ill-disciplined and menacing, they only help the people to realize that the existing government is one which threatens the people, deceives the people and suppresses the people, rather than one of the people, by the people and for the people.

With T. V. Soong's arrival and the immediate building of the Hwangpoo port in his mind, some sensitive observers inferred that Soong wants to set up a military base to strengthen the Communist Suppression Campaign; however, the spokesman of the government announced that this port will be used purely for the commercial prosperity of South China.

It is also widely rumored that the Government is seeking to establish a special system so as to stabilize the economic situation here. But I venture to say that, in spite of Soong's unique capabilities, he will never accomplish his task successfully, nor is he in a position to calm the continuous impending gold waves, or arrest the sky-high prices of the general commodities and foodstuffs. He can do nothing until the Civil War is over.

L. S. F.

Canton, Kwangtung,
December 6, 1947.

The Coming Storm

To The Editor:

Gloomy and dark clouds gathered in the sky over Nanking; a chill wind from the north, swept through the city all day lon~ The street scene was sad: very few walkers in the evening, beggars shivering with cold at the street corners and barefooted or naked orphans lying at the doors of the big houses. A husband and wife in my neighborhood quarreled over the lack of coal for their stove. Friends and kinsmen came from their native places bringing with them heartbreaking stories about living conditions there. Complaints of hardships were heard everywhere.

Far-sighted men can see the snakes in the grass; the optimists say, however, "If the sky falls we shall catch larks." Every day, the official-run papers boast of the Government's certain victory in the Civil War; but the picture arising before my eyes foretells a coming storm which will upset the whole country and overthrow those who are responsible for making and aggravating the desperate situation. Let us wait for the coming storm, the historical turning point, in which all the guilty ones, the butchers of the Chinese people, will inevitably be wiped out. Not till then, will the Chinese people be happy. Dear Editor, do you agree with me on this point, if not, please tell me, what will become of China to-morrow if the people's forces lose the war? Do you believe the honeyed words of those shameless bosses, that China would be well-conducted and all would be right if only the "bandits" were wiped out?

C. T. T.

Nanking,
December 20, 1947.

Wrong Conception

To The Editor:

Corruption today has become a germ which is slowly but steadily infiltrating into all the Government organizations. The authorities thus far have devised no effective means to check its rampancy. The multitude, who have just emerged from the whirlpool of eight years' bitter war, is being plagued again by a new social disease. And the general conception that all civil servants are "squeezers" is being formed.

As a matter of fact, the avaricious grafters consist of only a minor part of the officials who cannot resist tantalizing temptations. Presto! They thrive and become rich overnight. Their success, with the connivance of the Government, gives impetus to other decadent elements who follow suit in their wake.

However, the majority of the civil servants is innocent. They stick to their posts honestly and lead a poor and humble life. It is unfair to confuse these respectable servants with the grafters. The conception that all officials are grafters is also erroneous.

In order to do justice to the respectable servants, the real grafters should be duly punished, regardless of their positions and backgrounds, and the scandal cases should be probed to the bottom. In doing so, the good name of the Government organs might be restored, while a lot of useless indignation would be channeled to better purposes.

CHENG PAO-MING.

Shanghai,
December 15th, 1947.

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Save The People

To The Editor:

Commodity prices soar higher and higher as the Civil War goes on. Working day and night, the poor employees of the Telegraph Office find it difficult to live on their low salaries. The more the Government increases the salaries of the civil servants, the more impoverished one becomes. We, as well as the other poor civil servants, are arriving at an unbearable condition. On the verge of final economical collapse, I would like to beseech the Government to do something constructive to save the people from starvation.

IMPOVERISHED.

Fufeng, Shensi,
December 12, 1947.

Action Needed

To The Editor:

Since the Government realized the significance of mass education and sponsored the establishment of many mass schools during the past war, there have been very few improvements made. In recent years, the plan has been hampered by the hard and unstable conditions. Many schools have nothing more than a few rooms, desks and chairs; many teachers are leaving their posts because of underpayment and many pupils have had to stop their schooling because their parents cannot afford to pay the high tuition and other fees.

In order to make China one of the strong powers in the world, the Government must do something about the mass education movement immediately.

KING SIH-QUE.

Wusih, Kiangsu,
December 17, 1947.

Too Early For China

To The Editor:

The long-scheduled general elections" which, I feel quite sure, would have been the foundation of a new democratic China, finally took place throughout China, from November 21-23. Being the first democratic election ever held in China, it should have been an event of great importance and significance in Chinese history; everyone should have had great enjoyment in participating it.

But to my disappointment and surprise, the general public seemed to have failed to realize the significance of this occasion. In my town the majority of the electors were indifferent to it. Some did not take it seriously; some paid no attention to it. Such an attitude toward our first democratic general elections was certainly ridiculous. Perhaps it was the widespread hunger and misery that put the people in no mood for voting. But at any rate, such a phenomenon indicated that the time for the enforcement of the constitution is still premature in China.

SHUM KIA-CHUNG.

Hoppo, Kwangtung,
November 30, 1947.

Election Report

To The Editor:

When the bargain over the number of members to the National Assembly and the Legislative Yuan between the Kuomintang and the two minor parties had come to an end, a tide of "running for elections" spread throughout the country. The holding of the general elections under existing conditions, as the editorial in the *Review* pointed out, is politically useless and financially expensive.

Since the Government nominated the candidates, it is beyond our comprehension how China can be a democratic nation. As far as we know, in western democratic countries, the candidates running for election must clearly state their views on national policies so that the electorate is able to choose the right one; but the Chinese candidates run for election by way of "blackmail" and "bribery." Many Chinese electors, going to the polls, were under the command of the candidates or sold their votes for CNC$50,000 per vote. An old woman who was told to elect Chai Dun-tsan, a candidate of Tsinkiang, went to the polls and asked the overseer to write for her.

"Whom do you elect?" asked the overseer.

"Mr. Chai," she replied. "What is his full name?' She could not remember and turned away. A young man, instigated by a candidate to impose votes upon the disguised names, was fired on by the henchmen of a rival candidate, and a passerby was hurt. It is said a candidate in Chuanchow spent more than CNC$-300,000,000 in running for election; this sum would be enough to run a middle school for one term. We middle school teachers did not receive any votes at all. I wonder if some henchmen of the other candidates deprived us of our votes. The candidate of Tsinkiang, Yung Won-chiau, member of the Young China Party, got more than 700 votes, with the support of Kuomintang. How can he represent Tsinkiang in the National Assembly?

In Yungchun, the chairman of the district People's Council, as well as one of the candidates, arrested a voter, but a group of people with rifles surrounded him. This problem is not solved yet and fighting is going to break out.

W. T.

Tsinkiang, Fukien,
November 31, 1947.

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THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 108 Shanghai, Saturday, December 27, 1947 No. 4

Newsprint Control

THE whole question of newsprint and its control has again been brought to the public attention —and this time by screaming headlines—because the local guild of daily paper publishers decided last week to reduce by 90 percent the quota of the British-owned *North China Daily News* and by 50 percent the quota of the American-owned *Shanghai Evening Post*.

While the exact facts of this decision are still a bit obscure—probably purposely so—the reasons given are that these two papers have violated Guild regulations concerning the use of newsprint. It might be pointed out here that these two papers, along with the *Review* (which obtains all of its newsprint on the blackmarket) and a couple of Russian publications (which presumably have some newsprint stocks of their own), comprise the entire foreign-owned press of China.

According to the Guild, it was decided that in order to conserve newsprint each of Shanghai's four English-language dailies would retain their respective sizes as of November 1. At that time the *China Press* printed 12 pages, the *China Daily Tribune* 10 pages and the *North China Daily News* and the *Evening Post* eight pages each. Since then, the Guild charged, the *North China* has gone up to 10 pages, while the *Post* has occasionally printed 10 pages. This, the Guild complained, was unfair because it made them better able to compete with the other two larger papers. Further, it was alleged, if the practice was permitted, it would encourage the Chinese-language dailies to do likewise, thus impairing the Government's efforts to conserve newsprint.

In a later statement Mr. T. L. Tsong, publisher of Dr. H. H. Kung's *China Press*, the largest English-language paper in China, declared that since the *China Press* had been able to gain a size advantage over its rivals before newsprint restrictions went into effect, it was determined to hold them now. He said that the publishers of the *China Press* desired to return to their prewar size of 16 pages and would insist upon being allowed to do so if the *Post* and *North China* increased their size. Actually, though, this present freeze order insures dominance over the English-language morning field for the *China Press*. This paper was most fortunate following VJ Day in that it was able to gather together most of its staff quickly and, with the prestige and credit facilities of its owner well-known throughout the world, secure large stocks of newsprint. Thus, it jumped into the lead over the traditional leader, the *North China*, very quickly, and over the inefficiently operated *China Daily Herald*, now known as the *Tribune*. If all papers were allowed to increase their size as much as they wished, the *Press* undoubtedly would suffer. Firstly, it is doubtful if their printing facilities could handle an extra four pages and it is a certainty that there is not sufficient advertising available in Shanghai today to support such an increase. As things stand now, the *China Press* running from two to four pages more news than the other papers can definitely hold its lead.

* * *

EVEN though one can easily dispute the guild's reasoning and point out many inaccuracies, such as the fact that the *China Press* and the *China Daily Tribune* have also violated the spirit, if not the letter of the "agreement", the Guild's argument simply does not hold water since at the same meeting at which the *North China* and the *Post* had their quota slashed, the guild admitted to membership five new Chinese papers and allotted the newsprint thus saved to the new members. The Guild's later statement that their disciplinary measure was only temporary does not seem to hold up in view of the fact that the Central Government is most unlikely to increase newsprint imports in the future so that the cuts to the two foreign-owned papers could be restored.

Another aspect of the situation is the question of the power of the Guild to impose such measures with the force of law. We are quite aware that Chinese guilds and chambers of commerce often exercise a controlling influence over the actions of their members. However, just because this is customary is no reason for it to be right or legal. We personally think it a stupid idea. Obviously, as pointed out by Randall Gould, editor of the *Post*, if such powers of legislation are left to a group of businessmen, certain sharp operators with influence and connections will do their best to short change the other members.

Perhaps the Central Government, admittedly beset on all sides by problems with which it cannot cope, desires to perpetuate this type of extra-legal "policing" by the guilds as an aid in governing, but even so it most certainly should think twice before allowing a group of cutthroats to gain control of such vital enterprises as the country's press. At best it makes China's law-making and law-enforcing activities appear as hit-or-miss affairs. There is every reason to believe that this is just the latest in a whole series of acts by the publishing guilds which constitute serious abuses of their power.

For example, although the Central Government passed a regulation limiting the size of the

country's newspapers, the Guild here was able to modify it sufficiently to maintain the size of Shanghai's papers. This, of course, is a technicality, but shows that the Guild had no serious intention of obeying the law.

For example, the Guild has never objected to occasional increases in size by the *China Press* and the *China Daily Tribune*, although it presumes to penalize the two other English-language dailies for identical acts. In addition, all four papers periodically print supplements upon special occasions, although the publication of supplements is also theoretically against the newsprint conservation regulations. The last such supplement of the *China Press*, in commemoration of Christmas, contained nearly 100 pages, more than 50 percent of which were devoted to special advertising. It goes almost without saying, that the editorial material contained by the average supplement is "canned" stuff, clipped from US newspapers and magazines and supplied by press agencies. Rarely does a supplement contain a story worth the time required to read it. The supplement as such is nothing but a racket designed to secure a lot of advertising not usually obtainable. In normal times no one can object to the papers making a little extra money this way as long as advertisers are foolish enough to so waste their money. However, in times such as these it seems extremely silly for papers to publish anywhere up to 10 such supplements a year. A few more pages of news now and then would give the reading public a great deal more real service and would not expend any more newsprint.

* * *

ANOTHER aspect of the Guild's management of the newsprint allocation which should be looked into, is whether or not the allocation for each paper is justified by its ACTUAL circulation, rather than by its CLAIMED circulation. It is common knowledge that from time immemorial virtually every newspaper in Shanghai has lied about its circulation. This has been done both from a prestige point of view and, more important, in order to impress advertisers with the value of the space offered. There is sufficient reason to suspect today that some of the city's Chinese-language papers are getting their newsprint allocations on the basis of a "claimed" circulation which actually is considerably in excess of their real circulation figure. For example, we have heard of one local paper which claimed that it had a circulation of 60,000. The Guild, which understands this system quite well, automatically made a mental calculation of how much newsprint such a circulation would require and then gave the paper just half that much. The paper's publishers naturally protested against this "unreasoning attitude," but actually were quite happy about the matter since the paper's actual circulation was only 20,000.

For those local newspaper publishers who would doubt the accuracy of this statement, or deny that similar situations exist with many papers here, we can only refer them to the well-stocked paper blackmarket. Where does this paper come from if it is not obtained from those papers which have extra paper and which sell it in the blackmarket? We should know because that is just where we get ALL of our newsprint.

Still another matter which should be looked into is just how much newsprint the Government Information Office receives out of each allotment by the import board. While we do not have up-to-date information on this matter, we definitely know that up to a few months ago at least, the GIO received a substantial quantity of newsprint regularly. What does the GIO do with this newsprint? Does it use it for filling out the needs of government papers?

Some suspicious souls have suggested that the entire newsprint allotment scheme is so rigged that it enables the authorities to maintain a certain amount of control over some papers, although censorship has long since been abolished. We personally are in no position to say. Like Randall Gould's *Evening Post*, we are free from the official hand. We have been left completely alone, with the exception of one instance shortly after the end of the war. Also, we are not in a position to know about how the having or not having of newsprint might influence us since we have never had any rationed newsprint, having always been dependent upon the blackmarket for our entire supply.

* * *

IN ANY event this seems an opportune time for a full scale investigation of the Guild and its allocation functions, as well as a study of the entire system of rationing of this vital commodity.

Familiar Note

(Paper Shortage Division)

SCAP has refused publication permits for a number of books for a number of reasons during the post-war occupation of Japan. Edgar Snow's best seller, "Battle For Asia," was banned because it was thought likely to arouse dangerous thoughts. However, one of the more favorite reasons is the extreme shortage of paper in post-war Japan. However, a Tokyo publisher has a Japanese-language version of former Secretary of State James F. Byrnes' "Speaking Frankly" scheduled for January 1, despite MacArthur's "thought control" and the paper shortage.

More State Controls

THE official announcement last week that the Government would assume control of cotton goods production throughout the country certainly gives one much to think about. Past experiences with government-controlled production and distribution of consumer goods have not been so splendid as to offer much hope that the country's greatest industry will be competently run once red tape is in full control. Nor can that newest economic decision improve the rather pitiful foreign exchange situation.

Government control of imports and exports certainly has not brought us cheaper prices. On the contrary, with foreign exchange frequently unavailable for essential materials as well as for machinery, prices of most commodities are extremely high. The fact that in terms of foreign exchange, prices of many goods appear cheaper today than a year ago, no doubt, is due not to an actual decline in prices but to the very un-

realistic exchange rates adhered to toward the end of 1946.

In those days, people still had some confidence in the intrinsic value of the fapi. Today, even extremely optimistic observers admit that little is left of such confidence, and when cotton manufacturers are told they will get reasonable profit when working for the State—and the State alone—it may need an arithmetical genius to figure out what, in the midst of a growing money inflation the term "reasonable" stands for.

Cotton manufacturers will work under Government orders, we have been told, and the Government will supply the raw cotton, a system which, quite correctly has already been termed semi-nationalization. But in order to nationalize, whether half-way or fully, a country's greatest industry and to control its production, sales and profits, a government must be certain of the nation's confidence in its economic policy in general and in its currency in particular. It is doubtful, however, if this is the case.

The Government's economic policy has failed to force down commodity prices and, therefore, has increased rather than decreased the speed of money inflation. Foreign trade is hampered and home consumption is undoubtedly declining. That home consumption in cotton goods will improve and prices decline by the new nationalization scheme, may be doubted and we also doubt that sales in other consumer goods will increase in the near future. On the contrary, we are very much afraid that matters will worsen: for, one cannot build a large export trade without a correspondingly active home market. To express it in economic terms: the ordinary theory of the division of labor in international trade is already very much invalidated by the scarcities prevailing on the China home market.

By introducing still more controls and by "ordering" industries to work for the Government, one cannot hope to improve the situation. This, the Government itself has made evident enough. For, through its Central Trust the Government is importing raw materials and semi-finished goods without forcing down the actual market prices of such commodities. And through its China Textiles Inc. the Government is putting out large quantities of textiles, prices of which are about as high as those of any other similar product. Nor do we think the Government is in a position to prove the real advantages of its import quotas system or of its foreign exchange system which is offering the legitimate exporter poor chances, but is increasing illegitimate export activities by making smuggling more attractive.

The appetite comes when you eat, says an old proverb: when we look back at the development in restrictions and controls introduced this year, we really must admit that there has been a very good appetite with ever new and ever more regulations hampering individual initiative and inducing reliable business men to embark upon obscure activities. Coming as a Christmas gift to cotton manufacturers, the newest decision in this respect indicates that we are still far from the end.

We certainly are not against price control and all it stands for, especially in times of emergency, but we do believe that there is a tremendous difference between any acknowledged system of price control on the one hand and the method of foreign exchange control and, now, production control, applied here at present. Unfortunately, the results achieved up to now cannot give us much hope for the future. Instead of directing trade and industry the Government is trying to dominate them. And instead—to borrow a phrase from one of Mr. Winston Chruchill's recent speeches—of throwing the reins on the horse's neck and letting the strong horse pull the waggon out of the mire, the Government seems to be putting some more obstacles in the path of the not-so-strong horse.

"Must Be A Goddamned Red"

CONGRESSMAN Judd denied allegations against the Central Government, saying that stories of corruption were (Communist) propaganda—*UP dispatch from Washington, December 3.*

Government spokesman Hollington K. Tong announced today that 17,454 government officials have been tried for corruption during the last two and one-half years—*UP dispatch from Nanking, December 3.*

Sino-US Cultural Relations

THE formal establishment of the US Educational Foundation in China is good news. Recently, the Chinese press has apparently felt annoyed at the dilly-dallying, shuttle-cocking manner in which the US Congress has handled the aid-China program and has complained that "the US Government and people do not have a correct understanding of the situation in China." Hence, the establishment of the Foundation which has for its object the extension of mutal understanding and good-will through cultural exchange

between America and China is particularly welcome.

The Foundation was established under terms of the Fulbright Act and in accordance with the agreement signed between the US and China last month. The Fulbright Act provides US$1,000,000 annually from funds realized from sales of US surplus properties to foreign countries for cultural exchange work between the US and the various countries concerned. We understand China is the first country with which concrete steps have been taken to implement the terms of this Act and the US Educational Foundation in China is the first of its kind that has come into existence.

In outlining the program of the Foundation, Ambassador Stuart, in his capacity as chairman of the Foundation's board of directors, stated that the Foundation will explore the whole question of invitations from Chinese universities for American exchange professors with special reference to the strengthening of the teaching of English and the humanities. Other contemplated items on the program are (1) to encourage American graduate students to come to China to work in special fields of research, (2) to encourage applicants for undergraduate study in Chinese universities that are prepared to accept American students, (3) to extend assistance through, grants-in-aid to worthy Chinese students of high scholastic attainment in American-supported institutions in China, who, because of present economic conditions, cannot go on with their studies unless they have special assistance and (4) to extend aid to American institutions of learning in China to assist them in the present emergency period in recovering their pre-war status through the strengthening of their American and Chinese teaching staffs.

It is said that there is no possibility, for the coming academic year at least, to send Chinese students or professors to the United States due to currency restrictions and the fact that all of the Foundation's funds are in Chinese national currency.

PLATFORM FOR THIRTY YEARS:
LABOR UNIONS SHOULD BE BANNED OUT
SOCIAL SECURITY MAKES TRAMPS
MUSSOLINI AIN'T SO BAD
FREE THINKING IS UN-AMERICAN
THIS AIN'T NO DEMOCRACY— IT'S A REPUBLIC
RUSSIA MAKES TROUBLE
PERON AIN'T SO BAD
HITLER AIN'T SO B
POLL TAXES KEEP SCUM FROM VOTING
FRANCO AIN'T SO
ETC. ETC..
EXTREME RIGHT WING
By Bill Mauldin
"I Just KNOWED history would vindicate me!"

A careful analysis of the tentative program of the Foundation will reveal that it is almost exclusively devoted to helping American professors and students coming to China and American supported institutions in China. As we have had occasion to point out elsewhere the cultural relations program of the State Department has been largely concerned with helping the Chinese obtain a "clear understanding of the conditions in the United States" and has overlooked the importance and necessity for helping the Americans to understand China. So the Foundation's program offers a timely cure for this defect.

We have long held that mutual understanding and good-will among the nations of the world are the foundations upon which international cooperation and peace can be built and promoted, Mutual understanding and good-will will help to remove misunderstanding, national prejudice and suspicion and other causes that make war possible. The exchange of professors and students is undoubtedly one of the most effective means of bringing about understanding and good-will between nations.

Ambassador Stuart was perfectly right when he said: "All those who come as teachers or students will go back to the United States not only with a better understanding of China and an undersanding of her cultural life, her history, institutions and her people but also will spread this better understanding among the Americans at home. We hope this is going to be one of the important developments under the present Foundation."

However, there is one point on which we are unable to agree with the Ambassador. He stressed over and again that "American professors and students to be sent to China under grants from the Foundation must be "personally acceptable" to the Chinese host institutions. We fail to see clearly what is meant by the qualification of being "personally acceptable." It seems to us that the term admits of different interpretations and will probably be a source of future trouble. While we do have a high opinion of some long-established Chinese universities, we must take stock of the fact that under present conditions political persecution is endangering academic freedom in Chinese institutions of higher learning. Scores of professors have been "fired" and many students expelled because they were "personally unacceptable" to the univeristy administrations. Therefore, the qualification of being "personally acceptable" which is expected of American professors and students who are coming to China is not only unnecessary but also dangerous. If the American professors and students are expected to study and understand China they must enjoy academic freedom. They must be permitted to see what they like to see, to read what they like to read, to talk to any one they like. In doing this they may probably be regarded as "personally unacceptable." This is one reason why we consider the qualification of being "personally acceptable" dangerous.

Boom And Bust

THE old question of what to do with the American economy came up again this week when President Truman's Council of Economic Advisers warned him that if the US was to avoid a cycle of "boom and bust" and achieve a "consistent and stable equilibrium" several moves were

necessary. The Council urged a reduction of industrial prices, the acceptance of smaller profits, the balancing of wages and a leveling out of income distribution.

While any hope that Congress or the American people will be in the receptive mood necessary for imposition of the regulations necessary to assure a "consistent and stable equilibrium" seems doomed at the present time, the real need for some concrete planning cannot be overlooked.

In analyzing the boom and bust cycle, the Council said booms were followed by "wasteful periods of unemployment, plant idleness and demoralizing liquidation of property. Although recommending that periods of "unbalanced" expansion and overcapitalization be avoided, the Council urged the formation of a "concrete program of maximum production which the masses of the people can see and feel." Other statements of what must be done to insure a balanced and stable economy in the US included recommendations for reducing many industrial prices, lower rates of profit in many lines, increased rates of profit in other fields and elimination of "gross unbalances in the wage structure" by "some drawing together of those now at the opposite extremes of the wage scale.

* * *

THE idea that "something must be done" about the American economy if it is to continue in a form similar to the present one is certainly not new. There are many people who would change it entirely, deserting the capitalist system. Some of these desire Communism, while those at the opposite extreme would, in the name of fighting Communism turn the American economic and political form into a type of "modernized feudalism" somewhat similar to what existed in Japan before the war.

Needless to say, both these groups and their "fellow travellers" are equally dangerous to the American way of life as we know it today. From where we sit it would seem that ascendency of either school of thought would make the United States a most unpleasant place to live and, what's more, would probably make it a menace to world peace. The industrial potential of the US is so huge and its effects on the rest of the world are so great that peace and prosperity in America can guarantee a similar state of affairs throughout the world. A contrary situation in America will most certainly assure chaos and, possibly, open warfare in the world.

There is real need today for serious thought about America's economy and how it can be regulated to an extent that inequalities can be reduced and a stable and consistently rising level of production, wealth and prosperity achieved. Complete laissez faire, which is essentially the program of the Republican-dominated Congress, can only lead to a boom and a resultant bust. Out of this "bust" a new American economy — and perhaps a new American political system—will arise. It probably would be either Communism or Fascism, although perhaps of a native grown type bearing another name. Either course would only bring years of turmoil and chaos to the world. The present system in our opinion is by far the best, but it urgently needs considerable shoring in many places.

25 Years Ago In The *Weekly Review Of The Far East*

As Serious As Usual

December 23, 1922.

THE financial condition of the Government in Peking, according to the latest news, will be as serious as usual with the approach of China New Year. A rough estimate as to the minimum amount required by the Government with which to tide over the Chinese New Year is $18,000,000. With this sum, it is reported, 50 percent of salary arrears due Government employees can be paid, Government troops can be given one month's allowance, non-Government troops can be paid one-half month's allowance and interest can be paid on overdue native loans. As for foreign loans, on which both interest and principal are due in many cases, it is believed that negotiations for a deferment of payment can be made.

* * *

Peace On Earth

A year ago this week we referred to the peculiar appropriateness of the Christmas message, "Peace on Earth, Good Will Toward Men"....Now that a year has gone by, it is fitting at this time to check up on some of the accomplishments of this attempt to bring "Peace on Earth, Good Will Toward Men," at least insofar as China and her relationship with other nations are concerned. The first thing that occurs to us is the Shantung Question. That has been settled. China now has control of her sacred territory and within a few days the last remnants of Japanese military power will have been removed. In addition to this, unauthorized Japanese troops stationed at Hankow and in certain parts of Manchuria have also been removed.

10 Years Ago In *The China Weekly Review*

Thorough Chastisement

December 25, 1937.

IN a dramatic two-hour nocturnal audience on the night of December 18, Premier Konoye reported to the Emperor the Government's determination to "punish thoroughly" the Chinese National administration. The report embodied the decisions reached at the meeting of the Cabinet, following the fall of Nanking. The Government's policy, the *Asahi* reported, provides for a "thorough chastisement" of the national administration through the adoption of an "attitude of endurance in the true sense of that word." The hostilities, the Cabinet was said to have decided, will continue in view of the National Government's failure to reconsider its attitude and intention to resist Japan "at a moment when it is reduced to the status of a local military organization, with four of China's largest cities, Shanghai, Nanking, Tientsin and Peiping, out of its control."

* * *

Lost Faith

SHANGHAI is witnessing an emigration of Chinese, Russians, British, American, French and other foreigners to foreign lands on a scale unprecedented in the history of the port. This emigration cannot be confused with the evacuation of foreigners which occurred during the height of the hostilities in the Shanghai area. The thousands departing from Shanghai now, intend to bid China adieu forever, and establish permanent homes elsewhere. Chinese are utterly discouraged over the outlook. Foreigners have "lost faith" in the future of this part of the country if it continues to remain under Japanese domination.

An UNRRA Official's Parting Statement

Review and evaluation of two and one half years' UNRRA activities.

Frederick A. Jensen

I joined UNRRA in July 1945. For those of us who had seen some years of service in China the outlook was promising. The frustration we had felt during the war gave way to a great new hope: in the future we would not be hampered by lack of drugs and instruments while being faced with wounded soldiers, epidemics, disease, and mass-starvation, but would rather be embarrassed by a wealth of supplies and too few hands to use them; in the future we would not be obstructed by an all present government which viewed our efforts to render social service with the gravest suspicion, but could count on the backing of what formed part of the highest authority in the world of today: A Central Committee of Representatives of the United Nations.

Problems Begin

Problems of combining respect for the national sovereignty of the feudal and dictatorial Central Government with the democratic spirit in which relief and rehabilitation from contributions of the United Nations was to be expended, were encountered from the very beginning. They were dealt with in a document which later was to be quoted ad nauseam: The Basic Agreement between the Nationalist Government and UNRRA. Included in this document was a section stipulating fair and non-discriminatory distribution of supplies; banned by this document was the withholding of supplies from people or areas for political reasons. This paragraph is of special significance because of the existence in China of vast territories where the Communists have the de facto government authority. Another paragraph stipulating that supplies were to be distributed in accordance with the population, their real needs and their ability to put these supplies to use was thought to exclude the possibility of political favoritism within Kuomintang Areas.

In order to forestall the Nationalists' possible excuse that, although willing to distribute supplies to Communist-held areas, they were prevented from doing so by the impossibility of establishing the necessary contacts, UNRRA reserved the right to propose to the Government the establishment of direct contacts between UNRRA authorities and areas where there was no Central Government de facto authority and assumed, on paper, the duty of distributing supplies in such areas in cooperation with the local de facto authorities. It was later to become clear that UNRRA had drawn up these provisions in a legalistic and purely theoretical way, with no regard to the real nature of the government with which it was dealing in China; and with no intention of putting into practice the noble promise which the UNRRA principles propound.

Monopoly Assured

On the other hand, the Nationalist Government was fully aware that it had safeguarded its monopoly on UNRRA supplies by provisions that all supplies were to be turned over to Governmental Organizations at ships-tackle. CNRRA, the Chinese National Relief and Rehabilitation Administration, was to be the only operating agency in China, and UNRRA's role was to be restricted to observation and advice. UNRRA, of course, had title to all supplies which hadn't reached China yet; therefore UNRRA would have been in a position to stop its program in China at any stage, once it became clear that supplies were not serving the purpose for which they were meant.

The Nationalist Government, however, felt secure in the belief that UNRRA would not execute this right whatever happened, and history, during this limited period and within this limited scope, proved to be on the side of those who were determined to force UNRRA aid into the service of a narrow, anti-democratic and reactionary civil war, at the cost of millions of victims of the war of resistance who, in post-war China, were cold, hungry, sick and without means of earning their livelihood. In the final analysis, it was the Nationalist Government and its military appendages which effected the distortion of the original UNRRA program, but it was the American State Department which curbed all tendencies in UNRRA to put things right.

Marched Backward

In July, 1945, UNRRA officials in China envisaged for UNRRA's various branches a function similar to that which they had had in Europe: UNRRA was to march behind the conquering armies and to take charge of civilian needs. Right from the beginning, this concept clashed with the idea of the Nationalist Government that the war in the Far East was not to be decided by any armies fighting the Japanese in China; all the marching these armies were to do was backwards as far as the Japanese dared to advance, while Communist-led guerillas were active in their hinterland. Victory would come with the Japanese beaten by the Americans in the Pacific, in their homeland or on the China coast by an American invasion.

The Government therefore refused to participate in the organization of any such "take-over" relief-apparatus, but it had to string along with UNRRA when the practical case of the destroyed areas in Eastern Kweichow and Kwangsi Provinces, which had been spontaneously evacuated by the Japanese, was brought up by UNRRA as a test case. CNRRA officials had up to this time been engaged in drawing up plans for post-war reconstruction requiring a great number of research stations, engineering works, specialized hospitals and other castles in the clouds.

Reluctantly the Nationalist Government allocated a few hundred thousand CNC for the relief of the millions of destitute, sick and homeless in this refuge area, where cholera and dysentery were raging. A few teams of UNRRA and CNRRA officials were dispatched to dole out rice and to establish emergency hospitals. Supplies had to be drawn from the stocks of the National Health Administration which disgorged an insufficient quantity; all through the war, medical supplies which had been contributed to China by the American Red Cross and other relief agencies had been hoarded while the sick people had to do and to die without. Possession of supplies meant political power and any quantity given out was like a check cashed and the money spent—it was done only under pressure.

Correct Forecast

The Nationalist Government's forecast, based on an experience of six years war of "elastic non-resistance," proved to be correct: the Japanese war machine collapsed under the combined effects of defeats in the Pacific, and in Manchuria, and under the horror of the atom-bomb.

UNRRA and CNRRA officials hurried to Shanghai and the early relief scheme was abandoned, not without the usual futile enquiry into dark spots of the budget and the attempted arrest and flight of one Chinese doctor.

The plan for relief and rehabilitation was drawn up by western educated government officials who also held high position in the Kuomintang. These rehabilitation plans corresponded to their dreams of transplanting a piece of America into China—the outcome of their foreign education. Their personal needs were for specialized institutions and they were easily led to confound their own needs with those

of China. Here, for the first time, there presented itself a chance of realizing these dreams by way of a gigantic UNITED NATIONS donation. Give us, they said, machinery, hospitals, research stations and tractors and China will be a modern country. The crying need for social reforms wasn't even mentioned.

As to relief, they estimated the number of destitute people in each province and asked for proportionate quantities of cloth, rice and drugs. The plan was to channel these goods through CNRRA regional offices into provinces, towns, districts and villages; Kuomintang officials would dole them out, gaining face and power, making political capital out of them, which in turn would strengthen the government's hold on the people. In addition, some of the peasants and poor people in towns and villages would receive the means for immediate survival. Some deserving Kuomintang officials would get rich, and everybody would be happy.

Political Pull

The plans were bound to go wrong. They were drawn up by men who had lived in their offices, drawing salaries and such other revenues as were connected with the particular political pull their office gave them and who were out of touch with the real needs of the people. They were opposed to the people's desire for organizing themselves in order to build a new kind of life in the villages and in the towns, and they were absolutely unwilling to provide help towards this purpose from UNRRA sources.

The first need of the people was for the redistribution of land as a basis for making a living. Moreover, they had lost their tools and their cattle. Their health problems consisted of endemic malaria and dysentery, parasites, undernourishment and lack of basic sanitation with the accompanying outbreaks of typhus, typhoid and cholera. Grain-levies had exhausted their food reserves, and plundering puppets and Japanese had taken away their cotton padded winter garments and covers. Their houses had been burned and destroyed.

Ripe For Reform

An adequate program would have started with land reform, and UNRRA sources should have provided cattle and seeds. In addition, small scale and cooperatively owned factories for the production of agricultural implements and textiles would have contributed to the rehabilitation of the majority of the Chinese people. Field teams, hastily trained but equipped with the minimum technical knowledge and with sufficient quantities of a few essential drugs such as atabrine, vaccines, DDT, sulfa drugs and penicillin, and intent on carrying out elementary measures of basic sanitation, could have done an adequate health job during the first two years after the war. Work relief projects designed to prevent floods and to restore communications would have absorbed and constructively employed the majority of the dislocated refugee population. Against such a background of basic social reforms coupled with emergency relief and elementary rehabilitation, the construction of a few colleges, experimental stations and scientific institutes would have made sense.

What really happened didn't make any sense at all. It can be understood only in terms of the efforts of the small but powerful ruling group of Kuomintang officials to integrate UNRRA's contribution with their determination to throw the Chinese people back to the narrow political confines of their pre-war existence, but under the vastly deteriorated economic conditions of the post-war period.

Criticism of UNRRA's performance can be made from two points of view: Shortcomings due to the inefficiency and corruption of the ruling bureaucracy. This type of failure impressed all UNRRA officials and was widely and openly talked about in spite of the fact that it was only a necessary appendix to the greater defect which seemed to leave most of UNRRA's leading officials undisturbed, but which, nevertheless, provides the more important and more basic point of view of criticism: the militantly feudal-reactionary character of the Nationalist Government to whose every wish UNRRA chose to submit, regardless of the detrimental consequences to the Chinese people and to the success of its own mission.

UNRRA Story

The UNRRA story told from the first and less important point of view, in broad outline, runs as follows:

When UNRRA supplies started to arrive there were no storage facilities. This led to the spoiling of all non-durable goods. The amount of pilferage during the process of unloading and transportation from the wharfs ran as high as 50 percent of all goods which were easily removable. The others rusted and rotted slowly where they had been dumped. As the possession of supplies in Kuomintang China still meant political bargaining power, there was a great reluctance to carry out secondary distribution which further aggravated the catastrophical warehousing situation. In spite of warehouses bulging with wheat, famines could not be attended to because all means of transportation were commandeered by the army which had to transport troops to the civil war fronts. I personally reported on two famines, one in the Swatow area in autumn, 1945, and the other one in Northern Kiangsu in spring, 1946. Both my reports were handed to the Shanghai press by the UNRRA publicity department and the more sensational parts were quoted in the newspapers—but nothing was done about them. The famines ran their course until new grain had ripened to feed those who hadn't died.

When, by special efforts, grain was shipped into deficit areas, the beneficial effect was nullified through increased taxation and levies on the local resources, the proceeds of which went to the army. Under the pretext of lowering the market price of grain a scheme was developed by

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which UNRRA wheat was sold on the market at a comparatively cheap price, where it was immediately cornered in order to be resold at stupendous profits. There was quite a bit of evidence pointing to the fact that the originators of the scheme took part in the profits of these machinations. Prices didn't come down, but some rich people got richer.

Malefactors Protected

Cases of corruption and outright embezzlement were numerous, but no redress could be effected because the malefactors were protected by their connections. UNRRA's department of investigation collected more than 70 cases of misappropriation of foodstuffs, none of which lead to arrest or trial of the accused in spite of names and dates being supplied. There were scandals, however, which were so glaring that the police had to be called in: e.g. the China Engineering Works which was dissolved after its leading officials—UNRRA as well as CNRRA—were indicted.

Epidemics, which were a charge of the National Health Administration, ran their course because neither men nor supplies could be mobilized against them, although medical supplies were rotting in central and regional godowns. All types of UNRRA supplies were obtainable on the thieves-markets; there were people willing to supply any quantity to anybody who was able to pay the price. Anecdotes and instances to prove these statements can be had from almost any official in any UNRRA department.

Many high powered UNRRA experts who had come to China at the request of the Nationalist Government went home after a short time, disgusted because they couldn't do the job to which they had been appointed. Technicians found themselves in the odd position of having to fight with the very people they had come to help; their advice, though technically sound, was taken only in rare cases, because it seldom happened to be compatible with the ultimate designs of the government officials. Frustration was—as a result—the dominant mood of the UNRRA personnel.

Achievements Measured

However, if these instances are indicative of the main shortcomings, UNRRA's success or failure still has to be measured in terms of percentages of the optimal and possible achievements in each field. The number of people who got injections in spite of the widespread inertia, or who, in spite of the general corruption, obtained some flour which they otherwise would not have got, would be pertinent. However low the percentage, the failure could not be called an absolute one.

But our contention is that UNRRA's activities in China were an absolute failure. The proof lies in an analysis of the interplay between the political situation in China and the role of UNRRA. The political situation is characterised by the fight of the Chinese people for democracy, and by the determination of the Government to wage war on those who attacked the intrinsically undemocratic feudal basis of its party dictatorship. The economic foundation of this dictatorship is the Kuomintang monopoly on land which takes the form of ownership, rent, taxation and interest. The fight of the people is, primarily, a fight for land reform. The people are quite just in their belief that after land reform they will have progress in the fields of art, of technic, of culture and of civilization.

Correspondingly, the Nationalist Government's civil war effort has become all-embracing. It is waged not only against the Communists who have carried out land reform in the areas under their control, but against anybody in Kuomintang China who wishes to participate in economic, social or intellectual activities which the Government thinks it can't afford. Intellectuals who want to write, artists who want to paint, students who want to learn and professors who want to teach, businessmen who want to export and import, manufacturers who want to produce, and workers who want to organize themselves, are all regarded as potential enemies by the Government which is perhaps right in its fear that any of these activities, if given free rein, is likely to go beyond the narrow feudal frame it wishes to maintain. It is easily understandable that in such a situation, no man possessing the social and technical qualifications necessary for operations of relief and rehabilitation was acceptable to the Government. UNRRA was faced with a CNRRA crew consisting of men who either shared the Government's view or had submitted to it because of fear or cheap ambition.

Another China

The one great chance for UNRRA in China was presented by the fact that there was ANOTHER China consisting of territories which had been liberated from the Japanese by the Communist-led guerillas, which were administered by self-elected governments and in which land reform and village democracy were the fertile soil from which sprang a new and rich social life providing the widest scope for social relief and technical reconstruction. The Basic Agreement's section stipulating that supplies were to be distributed without discrimination with regard to political belief, coupled with the right of UNRRA to withhold supplies if this stipulation wasn't kept, provided the chance for UNRRA to break out of the vicious circle wherein perfectly good supplies came to the assistance of an outdated and oppressive ruling clique. This chance was not taken.

The story of how the liberated areas have been cheated out of their right to UNRRA help has been told many times. Here it might suffice to recount that the Nationalists, after reluctantly paying token lip service to UNRRA's impartiality in the Civil War, mobilized all tricks known to a well trained bureaucracy in order to sabotage the delivery of supplies to the Liberated Areas. The insignificant trickle of supplies which reached them was the result of the bombing and strafing of UNRRA ships and convoys and ports and villages in the Liberated Areas known to be on the receiving end.

Striking Fact

The most striking fact about UNRRA's contribution to these areas is revealed by a comparison of the value of the goods delivered to them and the damages caused to the people's livelihood as a consequence of the nefarious Yellow River project. This scheme had been frankly conceived by the Kuomintang as a military plan to divide a hitherto united Liberated Area into two, by a diversion of the Yellow River, and then conquer both parts after the weakening of the people's resistance through artificial floods. The comparison shows that the value of all supplies contributed to Liberated Areas amounts to only a tenth of the damage caused by this scheme alone which destroyed the houses, the fields, the crops and the livelihood of many hundreds of thousands of peasants. Instead of receiving the solemnly promised compensation, they were bombed and strafed by the Natjonalist air force while they built dykes for their protection.

Facts Clear

The project was technically directed by UNRRA. For its execution the greater part of all UNRRA forces and supplies were mobilized, in spite of the fact that there could have been no doubt in the minds of the UNRRA directorship as to what ends the project was meant to serve. This is borne out by UNRRA documents which state the facts as clearly as one could wish. In the minds of the Yellow River people, UNRRA's memory will live along with the locust plagues, the droughts and a few memorable, catastrophic, crop-destroying hailstorms.

UNRRA played the game with the Nationalists, whose idea about industrialization in China is that it has to be integrated with, and an appendage of, the Kuomintang's land monopoly. Governmental organizations such as the National Resources Commission and the Farmers' Bank were trying to monopolize industry the same way as income from land had been monopolized by its clique of Kuomintang directors. They tried to squeeze out of state-owned enterprises the same kind of profit they received from the land in forms of tax and rent. The clique, which can't think except in terms of feudal privileges, has pushed private entrepreneurs into the background, having maneuvered themselves into the position of having a good headstart by post-war requisitioning of Japanese owned factories, and even of those which the Japanese had taken away from Chinese owners during the war.

UNRRA's industrial supplies, agricultural machinery and fishing vessels, if incorporated into the existing monopoly, held out to these ambitious landlords the promise of becoming powerful captains of industry overnight, without changing their nature, their income or their way of life as feudal overlords. Their whole scheme was wrecked by the bankruptcy in which the Civil War threatened to drown them. UNRRA handed the bulk of its rehabilitation supplies to the Kuomintang monopolies, thereby prolonging the bureaucracy's lease of life. As the Civil War went on, the Nationalist Government became more and more concerned with the problems of its tottering currency. Therefore, T.V. Soong asked that UNRRA stop relief for the needy and the rehabilitation of public utilities, and start saving the Government's currency by changing previously requested quantities of relief and rehabilitation goods into readily marketable cotton. UNRRA, with certain modifications as to the quantities asked for, and—as always—stipulating well-formulated but empty and practically meaningless safeguards against misuse of the proceeds, acceded to T.V.'s proposal and thereby assumed the role of a financial backer of the Civil War Government.

Supplies to the Liberated Areas were withheld under the pretext that the Communists might use them for military purposes. At the same time UNRRA trucks, textiles and food were at the disposal of the Kuomintang armies, which bought as much as they wanted through their thinly camouflaged purchasing agents. No reprisals or sanctions were taken in the cases of the most flagrant violations of the basic agreement. At last, in July, 1947, the Nationalists felt secure enough to put an end to the whole non-discrimination problem by declaring a military blockade of the Liberated Areas, refusing permission for passage of supplies or personnel. UNRRA, after some shamming, turned all supplies over to the Nationalists and thereby closed with an unconditional surrender the chapter of its shadow fight against discrimination. There were the strongest indications that the whole maneuver, from the deceptive beginning to the convincing end, was carried out under the active leadership of the American State Department which vetoed all measures UNRRA could have taken to win the case for non-discrimination.

This then is the balance: the trucks and the locomotives brought into China were used to transport troops who fought against the democratic forces; the food which UNRRA brought into the country enabled the Government to use its own rice for the feeding of its soldiers; the textiles clothed them and money realized from the sale of supplies supported them; machines and technical implements went into the hands of the most reactionary bureaucrats and strengthened their power without contributing to the welfare of the people; relief supplies were used for political bribes in the wake of conquering armies and for the organizaton of landlords and political thugs who, after running away from the Liberated Areas, were organised into armed groups by the Kuomintang, receiving military training for the reconquest of the lost territories. The Liberated Areas, one-third of China, received less than two percent of the total of the UNRRA supplies that reached China.

The people's fight for land reform and democracy has been made more difficult through UNRRA's direct and indirect contributions to one side in the Civil War. This effect could have been offset only through a strict observation of the non-discrimination clause. On this point everything depended. Once discrimination was established as a de facto principle of distribution of UNRRA supplies, the failure of UNRRA's mission in China became absolute. With the abandoning of UNRRA's fundamental principles the plus before the equation was changed into a minus and its whole value became negative.

This betrayal was a heavy blow to the Chinese people. Their disappointment was profound. Nevertheless, the Chinese people have great reserves of vitality. They will survive and win. But, after desertion of the principles that brought them victory, will the UNITED NATIONS do likewise?

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SHANGHAI, CHINA

Not World's Worst, But World's Happiest Job

C. Y. W. Meng

ACCORDING to Mayor K. C. Wu's 1,000 "Do You Know" letters to Chinese and foreign civic leaders, soliciting aid for the Winter Relief Campaign in Shanghai, there are no less than "200,000 helpless refugees and 100,000 destitutes" in the largest metropolis in China.

Indeed, on every street corner and in front of every large building the sick, the poor, the aged, the starving, the crippled and the homeless refugee—men, women and children—all can be seen wandering about begging for food or money. In the early morning, one can very frequently find many of these people who have spent the night wrapped in a few tattered rags to shield them from the bitter winter winds. On rainy nights, while sleeping in entrances to the various buildings, their bodies are usually covered merely by a piece of torn summer matting or perhaps a broken umbrella. Further description of their wretched conditions is not needed, for the whole heartbreaking and deplorable picture is vividly presented every day to the Shanghailander.

Campaign Underway

However, these refugees and destitutes in Shanghai, when compared with those in other cities, are fortunate to have Dr. K. C. Wu as their Mayor. For he is now in the process of conducting a campaign to provide them with free congee and shelter during the winter months. There is no doubt that the Mayor's enthusiastic and energetic efforts merit our commendation and deserve our full support.

According to the November report of the Shanghai Winter Relief Committee, a total of CNC$1,969,630,000 has been raised. CNC$958,590,000 resulted from contributions donated through radio broadcasts; Mr. Tu Yueh-sen contributed CNC$449,720,000 from funds presented for the celebration of his birthday; CNC$540,000,000 was obtained by means of charity football matches and CNC$21,320,000 resulted from other miscellaneous contributions.

Another CNC$6,000,000,000 may come from the cooperation of nine foreign movie distributors and nine theatres in Shanghai. The distributors have contributed nine movies not yet shown in this city while the theatre owners have placed their theatres at the disposal of the Shanghai Municipal Government for the presentation of these movies. In this connection, a word must be said about Sir Victor Sassoon, prominent British resident of Shanghai, who made a special donation CNC$25,000,000 to the Foreign Films Charity Show Committee.

Another CNC$2,000,000,000 may come from the Ministry of Social Affairs, as their appropriation to the relief funds in Shanghai.

Besides, arrangements have also been made with the Taiwan Sugar Company to collect a Winter Relief Surtax of CNC$20,000 per picul, commencing with the 41st sale of sugar up until February, 1948.

As to other methods for raising funds, such ideas as holding horse races for charity purposes and the issuing of a "relief lottery" have both been abandoned. They are "full of difficulties," according to the latest information from Shanghai Municipal Government sources.

There is no doubt that the grand total of all these contributions, (and this takes for granted that the appropriation from the Ministry of Social Affairs and the amount obtained from the Foreign Films Charity Show both live up to predictions), is still about one-third of the total money needed. How the Mayor is to bridge this wide gap I cannot say. I hope that more contributions and funds are forthcoming to make the present relief campaign a success.

However, aside from the problem of filling in the total amount needed, there are other problems which it seems to me are worthy of discussion.

From my observation, I understand that the present relief campaign is merely a winter campaign, or temporary in nature. It is intended to cover only the winter season. Experience has shown us that the whole relief program is usually wound up by the end of February or early in March, when the kitchen stations and shelters are closed. This, of course, causes the poverty stricken recipients of charity to once again be without free food and shelter. Because these helpless folk need our aid during all seasons, as much as they need it during the winter months, I suggest that Mayor Wu extend the scope of the present relief campaign and conduct relief work on an all year basis.

Secondly, I note that the winter relief work depends almost exclusively on voluntary contributions. In this winter's campaign, as of this date, the nine foreign film distributors head the list of contributors with CNC$6,000,000,000. With the exception of Mr. Tu Yueh-sen's contribution, (which perhaps is composed largely of "gifts" from friends, followers and disciples, rather than a personal contribution out of his own pocket), I have not yet heard of any large donation on the part of the rich Chinese in Shanghai. Many of them most certainly could afford to auction some of their real estate for

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the benefit of the city's 300,000 needy cases.

Therefore, my second suggestion to the Mayor is to devise some financial measures to raise funds regularly for relief work in Shanghai. Not only through voluntary contrbutions, but even more through taxes, and particularly, through "soak the rich taxes." It is only by this type of taxation and thus having a definite source of funds, that we can efficiently carry on our relief work all year around. And it is only by taxing the rich and by making the rich bear their just share of the burden of aiding the poor that we can raise sufficient funds for this necessary work.

In October the proprietors of amusement houses had a total business amounting to CNC$52,470,381,703.16, but paid only CNC$11,160,331,663.79 in taxes, or a little over one-fifth of their total receipts. It seems to me that the rate of such taxes should be increased at least twofold.

"Feast Taxes"

Turning to the "Feast Taxes" for the same month, I also note that out of the total business receipts, amounting to some CNC$53,000,000,000, the proprietors of restaurants in Shanghai paid only CNC$7,908,171,696 in taxes. To my mind, this amount should be doubled, also for the same purpose.

All efforts on the writer's part to ascertain the number of proprietors of modern foreign-style buildings and property in Shanghai, and the number of bank passbook owners, have been unsuccessful. The latest statistics, however, show that in Shanghai there are 6001 private automobiles, 5275 automobiles owned by government and public institutions, 8785 trucks, 993 small trucks and 2960 commercially operated trucks, making a total of 19,014 vehicles in this city.

I would suggest that the owners of these vehicles should be asked to share part of the burden of caring for Shanghai's destitutes. With the introduction of a special relief levy, of say, CNC$50,000 monthly, a sum of CNC$1,000,000,000 could be raised. Such an insignificant sum could hardly be called a "hardship" to the private automobile owners and businessmen in Shanghai.

In the aforementioned manner a total of about CNC$20,000,000,000 a month could be raised and collected for relief purposes. Further taxes could be levied on houses, rentals, purchases, nylon stockings, cosmetics as well as many other luxury products.

I advance these suggestions with the idea of promoting a large, yearround winter relief project, and for the following three reasons:

(1) We must endeavor to make Shanghai less of a city of contrasts, where the chasm between the rich and the poor is so pronounced, and where the latter suffers such gross social injustices. We must make this city one of the present century.

To observe the behavior of the wealthy inhabitants of Shanghai gives the impression that China is not a land of poverty, but one of plenty, comparable, in many respects, to the United States. These fortunate few, spend millions of dollars on weddings, birthdays or other celebrations. They pack the restaurants, dance halls and theaters. They besiege the department stores for nylon stockings, cosmetics and similar commodities. In fact, they live in a world of their own.

Discussing the winter relief project, Mr. Tsung-lien Shen, Secretary-General of the Shanghai Municipal Government, was quoted as saying: "The rich people (in Shanghai) refuse to contribute money to relief, yet indulge in excessive spending for their own benefit. It is not uncommon for these people to spend CNC$60,000,000 or more on privately held functions." That is precisely the situation.

(2) It is my contention that these days charity is definitely the business of the state. The state must assume responsibility for the welfare and security of all its people, including employment, health care and general welfare.

Charity should not depend on contributions from individuals only, nor should the collection of funds be purely seasonal. Relief activities should be mainly handled by the government, central as well as provincial. Such activities must have definite sources of revenue, and should employ trained, honest and energetic staff workers, whose motto should be: "To serve but not to be served."

(3) In conducting such relief work as the present Winter Relief Fund in Shanghai, our purpose is more than simply a "humanitarian gesture" or made for the purpose of "maintenance of peace and order in Shanghai," as pointed out by the Mayor in his letter. Our primary aim should be to give a new lease of life to "300,000 helpless refugees and destitutes" and to let them start their lives anew. From personal observation, it is my opinion that these refugees and destitutes are not considered as human beings. We must raise their status by education and vocational training, so as to enable them to become responsible individuals in society.

The Happiest Job

As I see it, the present job confronting the Mayor is not the world's "worst job," as he has remarked, but actually, the world's happiest job. To engage in humanitarian work, in accordance with Chinese teachings, should bring nothing but happiness. Also, in undertaking such activities, the Mayor has instituted many good principles, such as the rich helping the poor, the State assuming responsibility for the welfare and security of the destitute, and providing another chance for them to become useful citizens. What is needed now is the courage to impose taxes upon those who can easily afford to give.

We should, therefore, encourage the Mayor to pursue his program, wholeheartedly supported by the nation's many progressive citizens. For his guidance, let Mayor Wu remember that this movement fits in with the times—The Century of the Common Man is here.

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Canton's Greatest Scandal

Jefferson Cath

(Special Correspondent, The China Weekly Review)

Canton, December 13

IN the auditorium of its garishly decorated new premises, the Kwangtung Provincial Council held its third session from December 1st to 10th. Bill after bill was passed with little accompanying discussion. Tired of the dreary affair, the newshawks on the spot, yawned, shrugged their shoulders and dozed.

On the very last day of the 10-day session, 60-year-old Councillor Wu Chi-wun of Unping, brought forward an extemporé motion, to which 46 councillers, promptly appended their names. Immediately the air was electrified and the erstwhile bored reporters pricked up their ears.

Long A-Brewing

To political insiders, the storm is as exciting as it has been long a-brewing. For the past two years it has been a byword that the Kwangtung Provincial Industrial Company is a disgrace; that its manager Lo Ts'u-ts'ai is hopelessly corrupt and openly rapacious; that most of its proceeds go to private coffers instead of the public treasury; and that its management is a plague to merchants and a curse to industrialists. Although the company is theoretically a government organization, it has never rendered an account with either the Bureau of Reconstruction or the Bureau of Finance.

For a long, long time wrathful Kwangtungese have looked to their representatives in the Provincial Council to voice their grievances, but in vain. Many have wished to speak out. But few have dared, for the simple reason that Manager Lo Ts'u-ts'ai is the righthand man of ex-Governor-General Lo Cho-ying, a ruthless, hot-tempered soldier.

When it became known that Governor Lo had been relieved of his duties, many were ready to begin speaking forth. However, the general proved to be as provident as he is redoubtable. Before leaving Canton, he dealt out mouthfuls to many members of the Provincial Council, especially to the "Canton New Clique," consisting mostly of retired soldiers and his former comrades-in-arms.

The trump card in the hands of the New Canton Clique is the vacillation of Lin Yi-chung, Speaker of the Council. Knowing that a motion was in preparation to investigate the company's affairs, they threatened to dismiss Lin from the chair if he put it to the vote. They also tried to enlist the help of Governor T. V. Soong as a mediator. The consequence was that, in spite of angry protests from the proposers, their motion was not placed on the agenda.

Surprise Attack

But the wrath of the people was not easily contained. Speaker Lin or no Speaker Lin, they demanded that the corrupt officials be given their desserts. A stream of letters poured in to Councillor Wu, urging him to "stand firm and fight for justice in defiance of bribery and intimidation."

Thus after a 10-day lull, the storm broke. Rising amidst applause, and to the obvious consternation of Speaker Lin and the New Canton Clique alike, white-haired Councillor Wu thundered forth his charges. Spellbound and staring, the reporters listened to the greatest expose ever made in Canton.

Undeniable Charges

In brief, the charges were as follows:

(1) In the past two years, profit netted by the company aggregated CNC$100,000,000,000, of which only CNC$16,000,000,000 was reported. Of the reported sum, CNC$12,700,000,000,000 is said to have been "invested", namely, it has vanished.

(2) Of the sugar produced by the Shuntek Factory, over 100,000 bales could not be accounted for. In one single night, more than 4000 piculs of molasses leaked out, but nobody seems to know how.

(3) Landowners in Siaolan, Chunchuen and Garchuen were forced to lease their land to the company at an absurdly low rate. Sugarcane growers in Chungshan and Shunteh were lent money at usurious rates. For one picul of sugarcane, the farmer received only 5.5 to six catties of sugar, a figure even less than that allowed by the Japanese in 1944.

(4) Most of the beer produced by the company was not taxed at all, for which the company has been repeatedly fined by the courts.

(5) The major portion of cotton, applied for nominally on behalf of the Weaving Factory, was resold at exorbitant prices. The cotton borrowed from CNRRA was kept long after it should have been returned, huge profits being accrued in the meantime.

(6) In Yungchi and other places, officers of the company cornered the sugar and sugarcane market. They also manipulated the foreign exchange market, using public funds for their own purposes.

The Manager's Offenses

The above charges are those brought against the company in general. The offenses of which Manager Lo is personally held responsible, are listed below:

(1) The products of the company, were sold, not direct to consumers, but through agents—all firms organized by Lo and his followers. Sugar was obtained at CNC$5000 per bale and resold at CNC$7000; cotton yarn obtained at CNC$11,000,000, was resold at CNC$13,000,000. The market price of aerated water has increased to CNC$20,000 per bottle, but the official price remains at the old price of CNC$4000. By pegging the prices of such products, Lo's firms reaped a profit of at least CNC$20,000,000,000 in the past year.

(2) All the four steamers belonging to the company were put in the charge of Lo's maternal uncle and brother-in-law. For a year they have plied between Canton, Hongkong and Koihow, but not one single cent of profit has been received by the company in the form of freight or fares received. Moreover, cargoes carried by these steamers paid only 30 percent duty to the Customs, regardless of how much was received from the shippers.

(3) Five hundred thousand glass bottles belonging to the Provincial Brewery have been taken over by Manager Lo. Each bottle is now worth CNC$6000, so the total amount adds up to CNC$3,000,000,000—all gone into Manager Lo's private coffers.

(4) Under the pretext of social intercourse, Lo authorized the spending of CNC$100,000,000 each month. When the SS "Puto" was wrecked, he charged the company HK$700, or CNC$180,000,000 at the current exchange rate, for two days travelling expenses for two officers detailed to investigate the affair.

(5) Taking advantage of the company's monopolistic position, Lo exorted from businessmen, the fabulous commission of CNC$3,000,000,000, of which CNC$100,000,000 was distributed among the staff as hush-money.

Historic Speech

At the conclusion of Wu's historic speech the auditorium rang with the clapping of hands. In face of such incontrovertible charges, even the brassy New Canton League Clique was cowed. Not one single murmur was heard when Speaker Lin put the motion to the vote. For the first time in two years, the people's will was recognized.

NOTICE

Mr. and Mrs. Jan van den Berg announce the engagement of their daughter Saskia Maria Bernardina to Baron Henrik Egbert Ramel.

Nanking, Dec. 21, 1947.

Incredible Chinghai

Ruth Ingram

IN Chinghai the Middle Ages have suddenly collided with the 20th century.

One day recently a group of Tibetans just down from the remote mountains of western Chinghai wandered into Sining's up-to-date moving picture theater. The picture showing that day was "Alexander the Great." They sat for a while in rapt attention but when Alexander's hosts clashed with the Hindu armies, they jumped up and run out into the street yelling that murder was being committed in the theater.

The primitive peoples of that lofty province are often surprised nowadays over such marvels as the moving picture, the radio, and the motor car. Their way of life is beginning to be affected by motor roads, re-forestation and irrigation projects which are reclaiming barren wastes. But one of the best things to happen to these backward people are the schools which are being developed. The provincial authorities aim to make all the children of the province literate. In Sining, a city of 60,000, there are now 25,000 school children ranging from tots in kindergarten up to senior middle school students. Most of them live in or near the city but some have come from outlying districts.

Clothing Supplied

The Department of Education this year lists 963 schools with an enrollment of 80,986 boys and girls. This may not seem a large number, but remember that the total population of Chinghai is only 1,200,000. Every child, regardless of whether he goes to a Central Government, a provincial or a private school, receives a summer and winter clothing outfit. The winter outfit consists of enough material to make a long, quilted garment and trousers, plus three catties of sheeps' wool. The wool is sufficient to quilt the garments and also to spin enough yarn to knit a sweater, socks, gloves and a scarf or cap. Most pupils also make themselves a pair of warm shoes. They are told to bring their completed outfits to school on a given day when an inspector comes to examine them. The children of each class stack their garments in neat piles, row upon row. There is great rivalry between them to see whose needlework and knitting are the finest. I asked one tiny girl who had a beautiful sweater and gloves knit in a difficult design whether she had made them herself. "No," she said, "My big brother knit them for me."

Everybody in Chinghai knits. Venerable, bearded men walk sedately along the street twisting yarn as they go, little boys rush out of the schoolroom at recess with their knitting under their arms, while women with babies strapped to their backs click their needles as they trdudge to market. Mohammedans live largely on mutton so sheep are numerous and there is an abundance of wool. Even the poorest people protect themselves from the intense cold of that high altitude by wearing knitted garments and sheepskin robes. In addition to the clothing, each child receives monthly, 56 catties of flour, salt, vinegar and a small cash allowance for meat and vegetables. Few children can consume 56 catties of flour in a month. If there are several children in the family who go to school, their flour ration is a substantial help in feeding the whole family.

19th Anniversary

The Kunlun Schools in Sining recently had a grand celebration to mark the 19th anniversary of their founding. The 6,000 students led by their teachers marched past the grandstand by classes and took up their stations around an enormous playground. The boys came first in dark blue uniforms, then the girls in burgundy red, and last of all the 1,000 kindergarten tots in scarlet knitted jumpers. On the grandstand, Governor Ma Pu-fang directed proceedings over the microphone. He is the honorary principal and takes much pride in the schools. In fact, it is one of his pet projects. Behind him were massed 300 or 400 guests—officials, tall Mohammedans, picturesque lama, Tibetans, Mongols, and many Chinese. Several classes performed intricate drills and there were three short speeches. Then two kindergarteners marched onto the platform. One presented the Governor with a medal and the other handed a sword to his son, General Ma Chi-yuan, (one of the first graduates of the school). Both bowed and walked off as unconcernedly as though they had been at home. In the afternoon the girls put on a program of Chinghai and Hsinkiang folk dances to the great enjoyment of the graduating class and guests.

Education For Girls

Education for girls is a startling innovation. Mohammedan girls after the age of 12 are not supposed to go on the street nor to be seen in public, and now their Governor, himself a Mohammedan, has ordered them to go to school. The girls attend three schools inside the city, while the boys department is in a suburb. The school day begins at 6:00 a.m. with physical drill. This early hour fits in with the Moslem habit of worship at 5:30 in the morning. The pupils bring their breakfasts and lunches and go home at four or five in the afternoon. In spite of these long hours they are rosy-cheeked and full of mischief. Asked whether there was difficulty in securing attendance, the principal replied that truant officers had to be employed at first, more to persuade parents to forego the income from the children's labor rather than to round up the children themselves. But now, he said, the parents are so proud of their literate children that attendance officers are no longer required.

The buildings and grounds are immaculately clean and neat, not only in this school but in every school I visited. I visited the public school in the town of Siang Tang without advance notice, and there found the same order, cleanliness and air of industry as in Sining. Cleanliness is evidently a characteristic of Moslems in this region.

Arabic is taught as a foreign language in the primary grades and English in the middle school but all other instruction is in Chinese which is the most widely used language in Chinghai.

Lack Of Teachers

The lack of enough qualified teachers is the most difficult problem facing the Department of Education. To help overcome this difficulty there is a normal school for boys and another for girls. The girls normal school was started while I was in Sining. The speed and efficiency with which that school was organized illustrates the method and precision with which they accomplish whatever they set out to do. First I heard that a little kindergarten had been moved out of a large temple to another location and that the property around the temple had been purchased at such a generous price, the property owners were pleased to move. Then I was told that work on the premises had begun and the Governor himself was over there every day to direct and supervise. Various people whom I knew said they had been asked to teach part time in the new school.

On the 16th day after work on the premises began, I received an invitation to go over to visit the school. To my amazement, I found that over 1,000 students were already in attendance, that classes had started three days previously and out-of-town students were already housed in a spick and span dormitory. The school clinic had been set up and was crowded with students; sewing machines were whirring in the sewing department. Everything seemed as well-ordered and under control as though the school had been open three weeks instead of three days. A fund had been set aside for endowment and a satisfactory salary scale for teachers had been arranged. They were then making plans to buy more property to be immediately converted into classrooms so that enrolment could be expanded to 2,000.

Between 800 and 900 Chinghai boys and girls are studying in educational institutions outside the province. About 140 of them are in universities in China. One is abroad. All of them receive stipends from the provincial government which wants them to come back to Chinghai and help develop the potentialities of the province.

Does all this sound incredible to you? These are facts of which few people outside the province seem aware.

China's Suicidal Factors At Work---I

A Midnight Cry

For the prime purpose of (1) arousing our apathetic intelligentsia from its midnight slumber as the house of China threatens to be consumed by flames, and (2) drawing a graphic picture of China today for Uncle Sam, who in the late global war indisputably delivered our country from the attempted vassalage by Japan, this series of articles is being written with the ardent hope that the United States, in view of the symptomatic deterioration in this country, will continue ungrudgingly to exercise her discretion in helping to set this house in order. From recent reports, America will ere long again extend much needed material aid to our country, but unless she sees to it that ever cent loaned is used in the interest of the country and not pocketed by greedy officials, China will forever remain hanging periously in the balance. As the Gestapo—the "Blueshirt Corps"—is continually lurking around corners under the present Republic (!), the writer, to avoid stepping into the same boat as Professors Wen I-to and Li Kung-po, who were assassinated in Kunming because of their outspoken attacks against the corruption of the present government, have reluctantly been compelled to sign a temporary nom de plume, until such time as democracy dawns in China.

AT no time in the history of China has our country confronted a more appalling crisis than she does today. At the time of Japan's surrender on August 10, 1945, our people throughout the country were unanimously exultant to see Japan, the ferocious aggressor, eventually expelled from our coastal territory. China, aided by Uncle Sam, had emerged as one of the Big Four, henceforth free to set her chaotic political house in order and to set her people free from desperate misery.

But in the two years since our emancipation from Japan, we have been tragically disappointed. That "Rome was not built in a day" we realize perfectly and with sympathy. But, contrary to normal expectations, not only has our Government through incompetency and dishonesty failed to maintain the machinery of governmental status quo, as under the regimes of the enemy or the bogus government of Wang Ching-wei, but, on the other hand, the situation has precipitately worsened!

Rights Trampled

Since VJ Day, the eyes of the world have been focussed on the progress of our political deterioration. They have watched aghast the writing on the wall, of corruption, despotism and the trampling of the people's rights—the vices for which the effete Manchu regime was overthrown and the very vice our Republic was destined and commissioned to eradicate. It is pathetic but true that in spite of the success of the Revolution and the inauguration of the Republic, China's fate remains hanging perilously in the balance.

To the inarticulate, miserable and victimized masses in China, the victory over Japan has not turned out to be a blessing nor has their misery and starvation been alleviated as anticipated. Rather the victory was a curse in disguise, as they have since been overburdened by increasingly heavy taxation, deprived of personal rights and, above all, been drowned in the ocean of currency inflation—the generous gifts of the so-called "democratic" government. In other words, they have been taken from the pan and thrown to the flames.

To the incredibly avaracious, self-interested, bureaucratic few in this country, however, the victory resulted in an inexhaustible gold mine, from which they could lavishly drain the nation's wealth on one pretext or another. The blood and sweat of the vast, suffering millions have been the means of acquiring their grand villas in foreign countries, their limousines and their gold which is so carefully smuggled by air. As a safety first measure they have removed their ill-gotten wealth from the sinking ship and deposited it in the Gibralter-like vaults of the Yankees. Meanwhile, the people of Honan and elsewhere in China eat the bark of trees and die of slow starvation.

The basic causes for China's deterioration could easily be blamed on the outgrowth of external entanglements with alien aggressors, or the result of an infusion of Western science and culture. But the direct and sole reason for her present condition is the continued brooding over internecine suicidal factors, the most fundamental of which may be depicted in the following pages.

In her history of over 4000 years—an unprecedented record of national longevity—China has in the past weathered many a storm. In a country such as this, where the overwhelming masses of the people are illiterate, it was thought that the most adaptable type of government was the monarchy. In addition to the autocracy of the monarchy, the nation was kept morally and materially intact by the adhesive factor of Confucianism, whose philosophic influence of the passive tenets played an important role in molding the character and domesticating the life of the people. Under such mold and evironment this country survived the civilizations of Egypt, Chaldea, Babylonia and Rome.

Tide Turned

Then the tide turned. To cope with the increasing menace of foreign encroachment of her sovereign rights which had been evident ever since China reluctantly opened her door to alien trade and religion, she considered it necessary to keep abreast with the times and replace her old system of tutorial education with that of Westernized academic culture, augmented with the installation of modern equipment—naval and military—for her national defense.

In spite of the radical changes and the modern equipment brought from Germany, in 1894 China was ignominiously and unexpectedly defeated in the Sino-Japanese War. Her weakness, hitherto shrouded in mystery, was now ruthlessly exposed to the whole world. The "new wine" of the East, could not be poured into the "old bottle" of mentally unprepared China without some consequent outburst, for it was not the material gun, but the spiritual man behind the gun, that could stem the tide of victory or defeat.

Indignant at the unique humiliation inflicted on her by Japan, and conscious that the causes of the defeat were due to the corruption of the decadent Manchu regime, a group of uncompromising radicals, together with hordes of reckless political adventurers, seized the opportunity to rebel against the Manchus, subsequently launching a revolution which ultimately culminated in the overthrow of the Manchu dynasty. Although devoid of democratic material for foundation and background, the republican type of government as imported from the United States was rashly initiated. What China needed intrinsically, under the conditions at that time, was an indisputable constitutional monarchy, and, as universal education gradually permeated through the length and breadth of the country, this could eventually have been transformed into a democracy.

As it was, she had ignorantly, though unconsciously, committed one of the basic, monumental blunders in history, because of which it will take her many decades, if not centuries,

to finally achieve the same status of a typically democratic government such as is in the United States. For this indiscreet blunder, she has, during these past 36 years, been paying the toll of strife and misery in blood and gold.

Unfortunately for China, those political adventurers—a group of greedy, decadent, unprincipled desperadoes, who, lacking knowledge and experience in the technique of democracy, had taken the reins of government—had contracted and monopolized the cream of the Republic. As means to an end, they have muzzled the freedoms of speech and press, embezzled public funds and abused administrative authority. Under these fetters how can our people be free to enjoy democracy?

From a historical survey of various types of government in the past, the birth of democracy does not come as the overnight growth of a mushroom, neither does it grow in a desert of illiteracy. It must be planted and cultivated in the educated field of public opinion. It takes time to grow. With the masses uneducated, China was immature and illsuited for democracy. Figuratively speaking, what had been America's meat was China's poison—democracy in the United States turned out to be anarchy in China. Real democracy provides for the rights of the individual and demands that each man respect his neighbor's rights. In our country, the bureaucrats secured their rights at the expense of the rights of the common people. Hence chaos and strife prevail in our country and any attempt to set the tottering house in order has been frustrated.

Christian Roots

Democracy, the "new wine" imported from the Occident, is divine: it has its roots in Christianity. It seeks not self-interest; it prizes giving without receiving; its platform is the equality of human beings; it offers equal opportunity to all, irrespective of clique, color or creed; it safeguards the rights of the individual citizens, weak and strong. Of all the characteristics requisite for democracy, China is devoid. Is there any possibility of China ever becoming democratic?

From time immemorial, the "old bottle" in China has been a reservoir of bigotry and despotism, greediness and individualism, from which chaos, strife and corruption have continuously been poured. Afflicted with such maladies this country drifted and deteriorating during the reigns of monarchies. In spite of the basic change in the type of government—from monarchy to republic—China, the sick man of the Far East, metaphorically speaking, "changed the decoction without changing the ingredient." So, the very gang of radicals who previously had condemned the Manchu regime's corruption, are today the maladministrators in the present government. How can China be expected to become strong and democratic, when her very life blood—and the bones and sinews—are being constantly sapped by these political adventurers?

To the world at large, our country has been externally and nominally converted into a democracy. But to the Chinese, who are being preyed upon, she has been, through all phases hidden and exposed, despotic and rotten to the core. At this time of "eyebrow burning crisis," the picture of China must be portrayed brutally before the public gaze. To imitate the ostrich who hides his head in the sand, is not only to betray the sacred trust of China's masses, but suicidal to the cause of democracy, for which the 72 martyrs, not the adventurers, paid a dear price.

Of all the suicidal factors that do most to undermine the country, the "old bottle" is the vital and foremost. No aid from the United States, military or financial, will launch China into a better harbor, until the "old bottle" is broken and removed, and replaced with a "new bottle," or some other receptacle for the "new wine." The task is one of appalling magnitude.

What China needs today essentially, is not merely material aid, but a basic, psychological transformation of those who hold the reins of government. The house of China is in a form of dilapidation that renders it untenantable. It required complete reconstruction. Can we find a better supreme builder than the Nazarene Carpenter?

(To be continued)

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The Danger Of Cartels

J. R. Kaim

(This is the second of two articles on international cartels.)

IT is undeniable that international cartels tend to restrict production on the one hand, and maintain high prices on the other. While it is desirable to have some sort of production control, when such control becomes tantamount to full-scale domination, the security as well as the general welfare of nations may be endangered. Genuine commercial competition, on which depends free commerce and actual world trade, are suppressed, markets are divided, interests are shared and the small competitor is lost. Thus, the fate of nations may depend on and even be decided by international cartel agreements.

Here in China, prior to the war, we saw the dyestuff cartel in action —a comparatively peaceful affair. The German, I.G., was in the lead, while Du Pont, National Aniline, the French Kuhlman plants and others were members. Mitsui, said not to have been directly connected with the China market cartel, maintained a certain degree of independence.

America To Lead

Will there be a cartel revival, this time led by American suppliers?

What cartels mean to an endangered nation was made clear to America shortly after Pearl Harbor. In their book, "Cartels In Action," published by The Twentieth Century Fund, New York, 1947, (See December 20 issue of the *Review*), authors Stocking and Watkins explain how the vulnerability of the American economy was brought into sharp focus. Remote from the sources of natural rubber, and inexperienced in the making of synthetic rubber, (the Germans had kept their secrets to themselves), the American nation quickly cast off its customary indifference to so-called business politics.

Stocking and Watkins say: "The public wondered if the arsenal of democracy has not been caught in the crossfire of two sharp-shooting cartels—the international rubber restriction scheme and cartel controls in the synthetic branch of the industry."

It is possible that in the case of German synthetic rubber, I.G. actually wanted to reveal the Buna process (German artificial rubber) to American interests. There were long negotiations with American concerns, including Du Pont, Goodrich and Goodyear, in that respect. But Nazi officials regarded Buna rubber as a strategic material, and declined to authorize I.G. to proceed with its commercial development outside Germany. Actually, the Standard Oil Company of New Jersey, did come to an agreement with I.G. about Buna, but neither of the two companies were able to conclude their obligations—at least I.G. was prevented from doing so.

Impressed With I. G.

Nevertheless, the Standard Oil representative in Germany was so impressed by his I.G. colleagues, and so anxious to "give most careful consideration to their views," that he recommended that the decision to take the matter up with US rubber manufacturers be delayed for some months. According to Stocking and Watkins, "it was not until 15 months later, in September, 1940, after the fall of France and on the solicitation of the Army and Navy Munitions Board, that Standard released its Butyl product to the rubber trade generally."

That was the situation of the rubber cartel. Prior to the war similar developments were observed in the steel trade, the manufacturing and selling of aluminum, dyestuffs, nitrogen and, to a smaller extent, in various textile lines. Indeed, the war "killed" many promising cartels.

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While I.G., for instance, no longer exists in its prewar structure, and although the steel cartel is presumed to be dead, the great interest being shown in the I.G. enterprises and the permission granted to the Germans to increase their steel production by a tremendous amount, is considered suspicious by many political and economic observers.

It is true that the Potsdam agreement provided for the removal of German industrial equipment and for severe restrictions on the output of German industries. But it would be naive to believe that the absence of highly productive German plants would hinder the resumption of cartel activities. Quite correctly, speaking of steel cartel agreements, Stocking and Watkins write: "The steel cartel is dead; but the cartel idea survives."

International cartels, it would seem, know no frontiers. National sorrow does not exist. Just as in another past and glorious war, international armament trusts, officially belonging to opposite sides, made splendid profits by supplying each other with modern equipment, (whoever won the war, the profits would be safe) German steel barons, during the British blockade of Germany after 1939, looked to the United States for supplies to enable their South American subsidiaries to fill outstanding orders. The South American cartel members could then supply the Germans with much needed foreign exchange.

But the giant international steel cartel was a baby compared to the chemical trusts. Present indications lead one to believe that we shall soon observe new developments or, rather, a revival of the good old cooperation schemes, in that field. For the time being, nothing definite can be achieved.

Born in Germany, the cartel idea cannot be developed as long as Germany's industrial and political future remains uncertain. It has been said that negotiations have been going on in Switzerland for some considerable time, but real "business diplomacy" cannot reappear before Germany's future is decided. But it can prepare for various possibilities and very soon free competition may once again be pushed out of the picture.

It is a process of constant adjustment by negotiation, rather than of free competition in the market, or authoritative decisions of a unified administrative mechanism. That is the distinctive characteristic of the cartel system in the world's leading industries, Stocking and Watkins declare. It is with that statement—which does not refer to the chemical industries alone—that they close their brilliant book on "Cartels In Action."

But while their book and the hundreds of quoted statements made by other authors, prove that international cartels do incalculable harm, the not-fully-industrialized countries may be among the first to feel the revival of the pre-war cartel schemes and monopolies. One of those countries may be China.

The Week's Business

REVIEWING market developments between Thursday, December 17 and Tuesday, December 23, the chief events to be mentioned are the increase in official foreign exchange rates and an almost parallel advance in foodstuff prices.

The Central Bank's market rate for the US dollar was raised to CNC$83,000, i.e. by 14 percent. The pound's rate, however, was hiked to $270,000 from $225,000; the dollar/pound cross rate at present is US$3.25 for the pound Sterling, a small up compared with the week before.

With banks continuing to recall loans and credits—in accordance with the Government's credit-tightening program—the money market was again extremely tight and private interest rate fluctuated around 26 percent per month. Such high interest rates prove that reports since the last week-end to the effect that the money market was loose, are to be taken with a grain of salt.

Climbing throughout the past week, foodstuff prices reached new highs on and around December 23, when white rice was sold at CNC$1,050,000 and more per picul. Other foodstuff prices, too, increased drastically. While supplies remained comparatively scarce, the demand grew rapidly when it became certain that workers and salaried employees would be granted a month's salary —or in some cases half a month's income—as a New Year's bonus. Not keen to keep cash, wage earners were eager to invest their earnings in foodstuffs and other consumer goods.

However, during the short period under review, commodity prices in general did not gain more than the official foreign exchange rates. On the contrary, prices followed only slowly and in the speculative market sectors, of which the cotton yarn market is one, quotations tended to decline rather than increase.

Interest of operators, therefore, was focussed not so much on commodities as on stocks, some of which registered amazingly good profits. Wing On Textiles, considered the piloting stock on the exchange, actually gained 23 percent between December 15 and December 23.

While the readjustment of foreign exchange rates gave legitimate exporters better chances and at the same time simulated the buying of and trading in export goods, clandestine exporters were reported to have been seized by panic when news from Hongkong indicated sharp drops in black quotations there.

Depending not on official exchange rates but on how foreign exchange is quoted in Hongkong and Macao, clandestine exporters may have been faced by unexpected obstacles. And so apparently were speculators in gold.

Looking back at price developments between December 1st and Christmas, the general impression is that while prices of China produce have increased, those of many essential imported goods have declined. While during that period, for instance, first grade white rice has gained 40 percent and more, white ramie around 35 percent and wood oil around 13 percent, quotations for caustic soda, soda ash and rayon have remained stable or have lost around two percent. On the other hand, open market prices of kerosene, Diesel oil and imported rolled tobacco have increased by around 10 percent, i.e. less than the official exchange rates.

SHANGHAI MARKET

MONEY MARKET:

The money market was very tight in the early part of the week, but on Saturday conditions eased considerably. Government banks called in a total of CNC$590,000,000,000 while the black market interest rate dropped from 30 to 25 percent. Reason for the eased condition at the end of the week was the inflow of large sums of cash from nearby cities and villages.

FOREIGN EXCHANGE:

The open market exchange rate was increased from CNC$83,000 to CNC$93,000 for one American dollar on December 19.

STOCKS AND SHARES:

The stock and share market ruled firm during the week with quotations increasing by 10 percent for Wing On Textiles. Interest in shares of small companies and factories was keen, and their quotations increased in some cases by 50 percent.

	Dec. 13 CNC$	Dec. 20 CNC$
Wing On Textile	442	485
Mayar Silk	590	710
Ewo Cotton 415,000		425,000
Bond C 27,800		28,500

RICE AND CEREALS:

Price of rice increased seriously and in some days during the past week exceeded the CNC$1,000,000 mark.

	Dec. 13 CNC$	Dec. 20 CNC$
Rice	890,000	970,000
Wheat flour	342,000	380,000
Peanut oil 2,250,000		2,250,000

COMMODITIES:

Commodities as a whole declined during the week because of the tight money situation, reports of the firm decision of the Government to investigate godowns and warehouses, and Government sale of textiles and rayon.

	Dec. 13 CNC$	Dec. 20 CNC$
Raw silk	94,000,000	87,500,000
Rayon	95,500,000	85,000,000
20's Yarn	32,000,000	30,600,000
RQ cigarettes	262,000	251,000
MD matches	6,850,000	6,550,000
Newsprint ...	1,350,000	1,230,000

Chinese Students 12 Years Ago And Today

Lao Hsueh-sun

TWELVE years ago in China's ancient capital, Peiping, thousands of Chinese students from middle schools and colleges staged a monster demonstration through the city's main streets in a determined effort to arouse public attention to the increasing danger of Japanese aggression in North China. This demonstration was better known among Chinese student circles as the "December 9, 1935 Movement," which has written a glorious page in the history of Chinese student movement.

The authorities at the time used iron bars, swords, rifle butts and fire hoses to deal with the students, but they failed to scare the student demonstrators. On the contrary, strong-arm methods employed by the authorities only serve to discredit the Government and add to public indignation and protest. The students carried on their work of publicity and enlightment among the people and soon enlisted considerable popular sympathy and support for their anti-Japanese movement to save the fatherland.

Telling Blow

As a matter of fact, the student demonstration of Dec. 9, 1935, dealt a telling blow to the Government's policy of appeasing the Japanese aggressor and showed in true colors the large number of covert traitors who were advocating "improving Sino-Japanese relations in order to fight the common enemy—Communism."

At that time things were rather chaotic in North China. To preach patriotism was considered a crime and student patriots who dared to talk about fighting the Japanese or about national salvation were arrested and punished as criminals who were bent on destroying China's friendly relations with foreign powers. Many students paid with their lives for their anti-Japanese agitation.

The rallying battle cry of the Chinese students at that time was "National unity in resisting Japanese aggression". This battle slogan represented the will of the overwhelming majority of the Chinese people and soon the appeal swept over the country like wild fire. After much hesitation, the Chinese Government was finally forced to offer armed resistance against the Japanese invasion, instead of taking it lying down. The entire nation rose as one man and presented a solid united front to fight the Japanese.

It is hardly an exaggeration to say that the anti-Japanese movement of the Chinese students and their urgent call for national unity had some influence on the policy of the Chinese Government. Willy-nilly, Nanking had to follow the policy which the students advocated as early as 1935.

It is now 12 years since the December 9 movement. Twelve years cannot be said to be a short time. Unfortunately years of bloodshed and war have not brought any peace or happiness to the Chinese people. Nor has it succeeded in solving China's internal problems by peaceful means.

History Repeated

Today the situation is similar, and perhaps even worse than in 1935. Twelve years ago, the Government and the Communists were cutting each other's throats and the whole country was groaning under the Civil War. Today, the internecine fighting between the Government and the Reds is much more bitter and extensive than before. Twelve years ago, they fought with primitive weapons such as home-made rifles, swords, knives and spears. Today they are fighting with tanks, airplanes, flame-throwers and bazookas. Twelve years ago, the fighting was limited to a small area and the effects of war were also limited. Today, it is really a nationwide war, a "total war" in very sense of the term, with both sides engaged in general mobilization. Twelve years ago, the fighting was purely an "internal affair". Today, foreign "advisers" and "instructors" are opening participating in the fighting.

First To Suffer

Just as 12 years ago, the Chinese students now are the first to suffer. The numerous mysterious "disappearances" of students these days is really alarming. Once again, students are being arrested for advocating cessation of internal fighting and establishment of national unity through political channels. It would appear that the Government authorities have not learned any lessons from history. They are using the same methods they employed in the past.

China's students today are facing serious difficulties in every field—political, economic and academic. In addition to political persecution, the ever-increasing commodity prices have made life for the students extremely miserable, and intolerable in some cases. It is common knowledge that many students are ill-clad and under-nourished. In Peiping many university students are suffering from T. B. and other diseases. With the extension of the war between the Government and the Chinese Communists, many students have been cut off from financial support from their homes which happen to be located in the war zone. The condition of these "refugee students" is particularly miserable.

Nor can the students learn much at school. Lack of books and other equipment has made it extremely difficult, if not utterly impossible, for the students to continue with their research work. The professors have a busy and hard time living from hand to mouth. In these circumstances, how can you expect them to devote their time and energy to teaching? Instead of encouraging independent academic research, many universities have become training centers for gestapo.

Mere Routine

Reports from the provinces seem to indicate that arrests of students are mere routine. Shortly after the tragic death of Yu Tze-san and the conviction of three other students in Hangchow, 28 students in Shanghai were rounded up. Similar arrests are reported to have been made in Peiping, Chungking and Kunming.

If the history of the Dec. 9 movement teaches us any lesson it is beyond doubt that China's students today are not fighting a losing battle. It is only a question of time until their appeals for national unity by peaceful means will triumph, just as 12 years ago they were the first to start agitating to fight the Japanese.

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The Review's English Lesson—XI

REVIEW OF VOCABULARY FROM PAST LESSONS

HOW many new words and expressions do you remember from the previous lessons printed on this page? Not all are important or even worth remembering, but of those that are useful we have chosen 20.

As you will see, this review is made up in 20 sentences, each of which contains one of the words or expressions previously explained in the Lessons. After each sentence there are four choices to explain the meaning of the new word or expression (in italics). By marking the letter of the correct meaning you can measure how many of these expressions you have learned.

The correct answers will be given next week, and beside each you will see where this expression was previously used in our Lessons.

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1. In order to repair the river dyke that protected their land, the farmers **banded together.**

a) tied together the materials used for strengthening the dyke. b) joined themselves together in a group. c) held a meeting. d) formed a cooperative and issued shares.

2. When I saw him yesterday he looked to be **in the pink.**

a) drunk. b) bankrupt. c) very rich. d) very healthy.

3. The **soapbox speaker** stood in front of our house.

a) man selling soap. b) leftist. c) man expressing his personal views in public. d) missionary.

4. After the **heckling** the crowd laughed so much that the speaker went home.

a) interruptions from the audience. b) examination by the authorities. c) attempted witchcraft. d) humorous drama.

5. The Senator refused to obey the wishes of the **lobby** on his vote.

a) first-term member of Congress. b) room outside a government office. c) inner council of his party. d) private group trying to get action favorable to itself.

6. He wrote an article about the rubber **interests'** power in Singapore.

a) advertising campaigns. b) group of owners, producers, and dealers. c) bank deposits. d) group of consumers.

7. Wang **sees eye to eye** with Chang on the cost of living problem.

a) follows the lead of. b) disagrees with. c) agrees with. d) is more far-sighted than.

8. If you ask him, you will get **bum** advice.

a) poor. b) first-hand. c) common. d) free.

9. During the depression many people lived **on the dole.**

a) on a small income. b) on public land set aside for that purpose. c) on free foodstuffs. d) on funds given regularly by an organization or the government.

10. In that **racket** you can make much money quickly.

a) illegal business. b) form of night club entertainment. c) sport. d) daring speculation.

11. He tried to get **the lion's share** of the business.

a) the official's trade. b) the stock exchange price. c) an advantage over others. d) the greatest part.

12. His visit to the president was **a straw in the wind** concerning his true interests.

a) the reason for his success. b) the main part of his effort. c) an advance sign. d) a necessary move.

13. The sudden **boom** in prices had everyone worried.

a) fall. b) rise. c) interest. d) control.

14. The factory owner wanted **to hold the line** on his workers' wages.

a) to hold a meeting. b) to lower. c) to resist further rises. d) to adjust them to the city's cost of living index.

15. Chang's sudden departure during the trial was **a horse of another color.**

a) additional evidence that he was wrong. b) an occurrence that changed previous ideas about him. c) a change of opinion by Chang. d) a foolish move.

16. In American politics, **G.O.P.** means:

a) Government of the People. b) "Greedy Old Politicians," a term of contempt. c) "Grab or Perish", an expression of the spoils system. d) Grand Old Party, a name for the Republican Party.

17. In the contest he held **a slight edge** over the others.

a) a small advantage or gain. b) a feeling of superiority. c) a threat. d) a previous record of victories.

18. Last year Chen gave Li **a walloping** in the race.

a) a consolation prize. a) a defeat. c) an advantage. d) a loud shout.

19. Even after Wang won first prize, he would not **coast** in his work.

a) praise himself. b) improve himself. c) think of his hardships. b) stop trying.

20. Although the election has been going on for three days, it is still **wide open.**

a) known to everyone. b) free of charge, c) not settled. d) worthwhile.

"To Each His Own"

THE numerous parties given by National Assembly candidates during the general election campaigns greatly helped the City Treasury by upping banquet tax collections which otherwise would have fallen off due to the prohibiting of banquets under the new austerity plan—*Evening Post.*

The City Treasury gets its taxes, the candidates and officials have their banquets and the *lao pai hsing* have their austerity.

What U.S. Papers Say . . .

AID for China continued to be hotly debated in editorial comment in American newspapers last week. The breakdown of the London Conference of the Council of Foreign Minister was deplored but generally regarded as inevitable.

* * *

China

THE *Washington Daily News* (Scripps-Howard) expressed itself in favor of immediate aid for China. "After the clinching testimony to the Senate Committee on the need for economic and military aid to China, the Administration no longer can continue its do-nothing policy without discredit to itself and danger to our ally."

"Of course, it would be helpful if Stalin would limit his aggression to one area at a time—then we could concentrate on Europe and forget the Far East for a while. But as long as Stalin advances on many fronts—and he is going faster in China than elsewhere now—our defense also must be global," the paper concluded.

The *Washington Post*, however, was violently against any aid to Nanking. "Quite an array of witnesses was marshaled by the Senate Appropriations Committee in behalf of interim aid for Chiang Kai-shek's China. Heading the list was General Wedemeyer. The general's plea was based on the ground that Chiang is fighting the Communists. The fact of the matter is that Chiang is fighting many elements in the population besides the Communists. He is fighting, for instance, the Democratic League—groups to which General Marshall, when he returned from his ill-fated mission, looked for salvation. Democratic Leaguers must have read with some wryness the comments of General Wedemeyer about Chiang Kai-shek. The general spent some time talking with them in Nanking. Some of them, according to Feng Yu-hsiang, paid for their courage with their lives. At any rate, as soon as General Wedemeyer had turned his back, the group itself was proscribed.

"How American aid could rescue Chiang Kai-shek out of his present plight passes comprehension. As it is, his armies are serving as little more than delivery agents for American arms to the opposing armies. Yet Americans are expected to add to the flow in the name of anti-Communism.

"Incidentally, it is quite untrue to say, as General Wedemeyer is reported to have said, that Chiang always has opposed Communism. For exactly 20 years, yes; but before then Sun Yat-sen sent him to Moscow in order to equip him as the Chinese end of Chinese-Soviet liaison. And when Chiang marched North in 1927, his army was officered by Russians under Galens and Borodin. Now the American people are expected to bolster Chiang in the name of anti-Communism....

"China's turn will come, for, of course, China cannot be disregarded. When that time comes, the same technique of aid, if any regard is to be had for the American tax-payer, must be followed. The technique is help for self-help—the Marshall Plan. The course of wisdom is to wait for Marshall to unfold his plan for China—China's China, not Chiang's China and certainly not the GOP's China. China is a problem, not a racket."

The *St. Louis Post-Dispatch* stated that political reforms in China should be a condition for American aid.

"For our money to be well spent, the Nanking Government will have to reform the government in China all the way from the top down to the smallest village. It is corrupt and oppressive conditions that produce, in their daily sequence, the Chinese Communist insurrection, the necessity for Nationalist armies to be sent against it. Does Secretary Marshall intend to attack the evil at its root? Unless he does, the experience the United States has had in China offers little hope of a return for the expenditure of more millions."

* * *

London Conference

PLACING the responsibility for the breakdown of the London meeting of the Council of Foreign Ministers on the shoulders of the Soviet Union, the *New York Times* said: "Responsibility for the outcome at London has been identified correctly by Secretary Marshall. Three delegations have been able to agree and were willing to make the necessary decisions then and there. The Soviet Union alone refused to agree to a boundary commission.... It refused to stop its unilateral exploitation of Germany for its own benefit and at the expense of Germany, of the other victors, and of Europe as a whole. On the contrary, it sought by every means to prevent or delay any kind of agreement, while it pursued its own aims by direct action in every European country where either its own troops or its Communist fifth columns could exert their influence.

he *New York Herald Tribune* stated that as the result of the breakdown of the London conference "we are, in fact, confronted by two worlds."

"It was on Secretary Marshall's motion that the Council of Foreign Ministers broke up, but the Russians had offered no basis on which it might have been continued. It is better so. The immediate result will be to double forge the iron curtain.... But at the very least that will for the first time afford us an opportunity to make the Western system function on its own resources.... One road ends. Another opens before us."

Who's Who in China

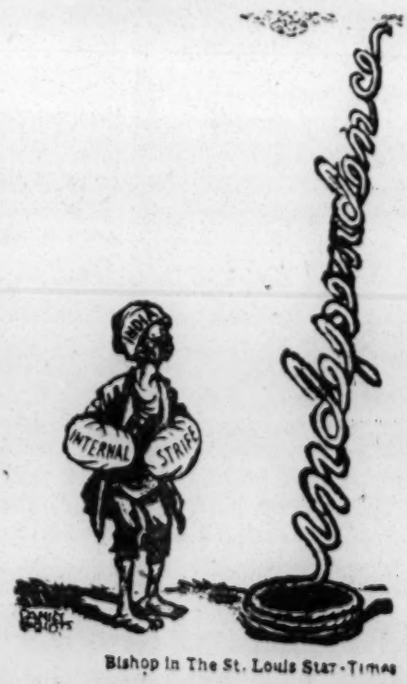
SYDNEY SIEN-YUNG YU, Chinese Consul at Houston, Texas, U.S.A.; born at Changsha, Hunan, 1906; received middle school education at YMCA School, Changsha, Hunan; graduated from the

Sydney Sien-yung Yu

(余先榮)

National Central University, Nanking, with LL.B. degree, 1930; taught English in San Min Middle School, Nanking, 1930; secretary, Bureau of Statistics, Central Kuomintang, Nanking, 1931; taught English in Yo Yung Middle School, Changsha, Hunan, 1932-33; passed the diplomatic and consular service examination, 1933; served in the Ministry of Foreign Affairs, Nanking, 1934-40; vice-consul with the rank of consul, San Francisco, 1940-45; studied Economics and International Economic Relations in the Graduate School, University of California, Berkeley, and graduated with M.A. degree, 1944; secretary, Chinese Delegation to the United Nations Conference on International Organization, San Francisco, 1945; Consul at Houston, Texas, since 1945; address: Chinese Consulate, Houston, Texas, U.S.A.

"DIFFICULT CLIMB"



Bishop in The St. Louis Star-Times

Mhat Chinese Papers Say

AMERICAN aid and the London conference were two subjects of burning interest for editorial comment in Chinese newspapers.

* * *

American Aid

THE official Kuomintang organ, *Chung Yang Jih Pao*, deplored the dilly-dallying manner in which US Congress handled the stopgap aid for China and stated that the "Americans do not have a clear understanding of China."

"China occupies an undeniably important place in the Far East and we believe that she can do her part in stabilizing the situation in the Far East. Today, China is fighting for national unification by suppressing the Communist rebellion and is simultaneously engaged in reconstruction amidst destruction. The experience of the First World War indicates that a country's economy is one of the important factors which determine its political ideology. The reason why the Chinese Communist bandits are creating poverty by destruction is that they want to consummate their political intrigue. If we can obtain timely and effective aid from the United States, so that our economy will become a little more stable, then it will naturally not be difficult for us to achieve political stability. And China's stability, unification and recovery is indispensable to the stability of the Far East.

"It is an undeniable fact that certain people in the United States, due to various kinds of misunderstanding, still have prejudices against China. The first is that due to incorrect reporting, these people do not have a deep understanding of Chinese politics and therefore are dissatified with things as they are in this country. They feel that the United States should not extend any aid to China until there is political stability in this country. We wish to point out frankly that only timely and effective economic aid can help China to achieve political stability.

"The other kind of prejudice is due to the fact that these people have ignored the Far Eastern problem, thinking that the Far Eastern situation is far less serious than the situation in Europe. On this point we wish to point out that since world peace is indivisible one cannot say that the European situation is more important."

The *Shun Pao* saw much confusion in US Congress discussion on the emergency aid-China bill.

"The House Appropriations Committee's proposal that the proposed aid to China be slashed was no mere accident. Some people have even expressed the view that the Emergency Foreign Aid Bill should not be viewed purely from the standpoint of international politics and that the economic situation in the United States should be taken into consideration. Hence, viewed from the angle of US economy, the proposal of the committee is not surprising. But what is surprising is the House's inconsistency. *UP* and *AP* released recently a number of reports on the question of whether the United States should give aid to China. Some of these reports were commonplace and others self-contradictory.

"From these reports we can see the confusion in the United States. Not only does the United States Government remain undecided on the China problem, but the views of the US press are divided. Maybe such confusion is characteristic of American democracy, but we think it necessary to point out that the Government and people of the United States do not yet have a correct understanding of the present situation in the Far East and the present political situation in this country. Americans in general do not know what the Chinese Communists are.... After the First World War, there were the so-called isolationists. After the Second World War, while the isolationists have long ago ceased to be active, the "Europe First" conception is still going strong. If the foreign policy of the United States Government cannot get rid of this obsolete conception, it will undoubtedly invite great disaster in the future. We hope that the American Government and people will soon make a wise decision regarding the present world situation."

The army organ, *Ho Ping Jih Pao*, said that it is the "duty of the United States to extend aid to China."

"Widely divergent views have been expressed during the past several months regarding the problem of US aid for China, which still remains unsolved. During a discussion on the Emergency Foreign Aid Bill, the House Appropriations Committee went so far as to slash the proposed aid to China. As we Chinese have always believed in the policy of self-help we are not at all disappointed. However in the interest of the world situation as a whole and of the future of the United States, we wish to express some views on this matter.

"First of all, we wish to point out that whether or not the United States should give aid to China is certainly not China's problem. Hence, there is no need for the United States to investigate conditions in this country again and again. It is important that the United States should understand the present world situation. In other words, with the world situation as it is today, it is up to the United States to decide whether, in the interest of world peace and her own future it is necessary for her to increase her aid to other countries. The extension of aid to other countries by the United States, which superficially seems a friendly act, is really something she ought to do to serve her own interest.

"As regards the situation in China, the Communist rebellion in this country has from the very beginning been another type of world Communism. Of course, Communism in China has been imported from abroad and certainly has not been produced in China. All friendly nations should understand that it is difficult for China to solve the Communist problem by herself. The Communist problem is a world problem and all democracies should do their bit in tackling the problem."

* * *

London Conference

COMMENTING on the termination of the conference of Big Four Foreign Ministers at London, the *Ta Kung Pao* stated editorially that it is the German people who will suffer the consequences.

"However, it is not Soviet Russia, but rather the German people, who have been defeated twice in a generation, that will suffer from the showdown. The adjournment of the Foreign Ministers Conference has turned back the clock of Germany's economic unification by a long period of time. Geographically, even if the German problem remained unsettled for a century, it would not cause Soviet Russia to collapse. However, it might reduce the German people to destitution. The Big Four Foreign Minjsters could adjourn their conference and come to a showdown, but all the people in the world who yearn for peace can stand it no longer."

The *Shun Pao* expressed concern less the breakdown of the London conference lead to further split between the US and the USSR. "The adjournment of the London conference was not surprising. From the very beginning of the conference we felt that the prospects of the conference were anything but bright. On the face of it, the failure of the conference was due to the deadlock of the reparations issue....

"Of course it seems to be unnecessary for us to point out that the differences between the Western Powers and Soviet Russia do not lie in the reparations problem, but rather in one which is more fundamental. Now that the conference has broken down, the split of Germany, Europe and even the whole world into two has become even more apparent. Under these circumstances, we are naturally concerned about future developments in the world situation. First, we wish to point out that this is not a division between East and West and that we certainly do not belong to the so-called Eastern World. Nor shall we oppose the Western World simply because we happen to be located in the East. What we want is One World. We hope the statesmen of different countries will change their minds at the 11th hour so that they may yet find a way of reconciling their differences."

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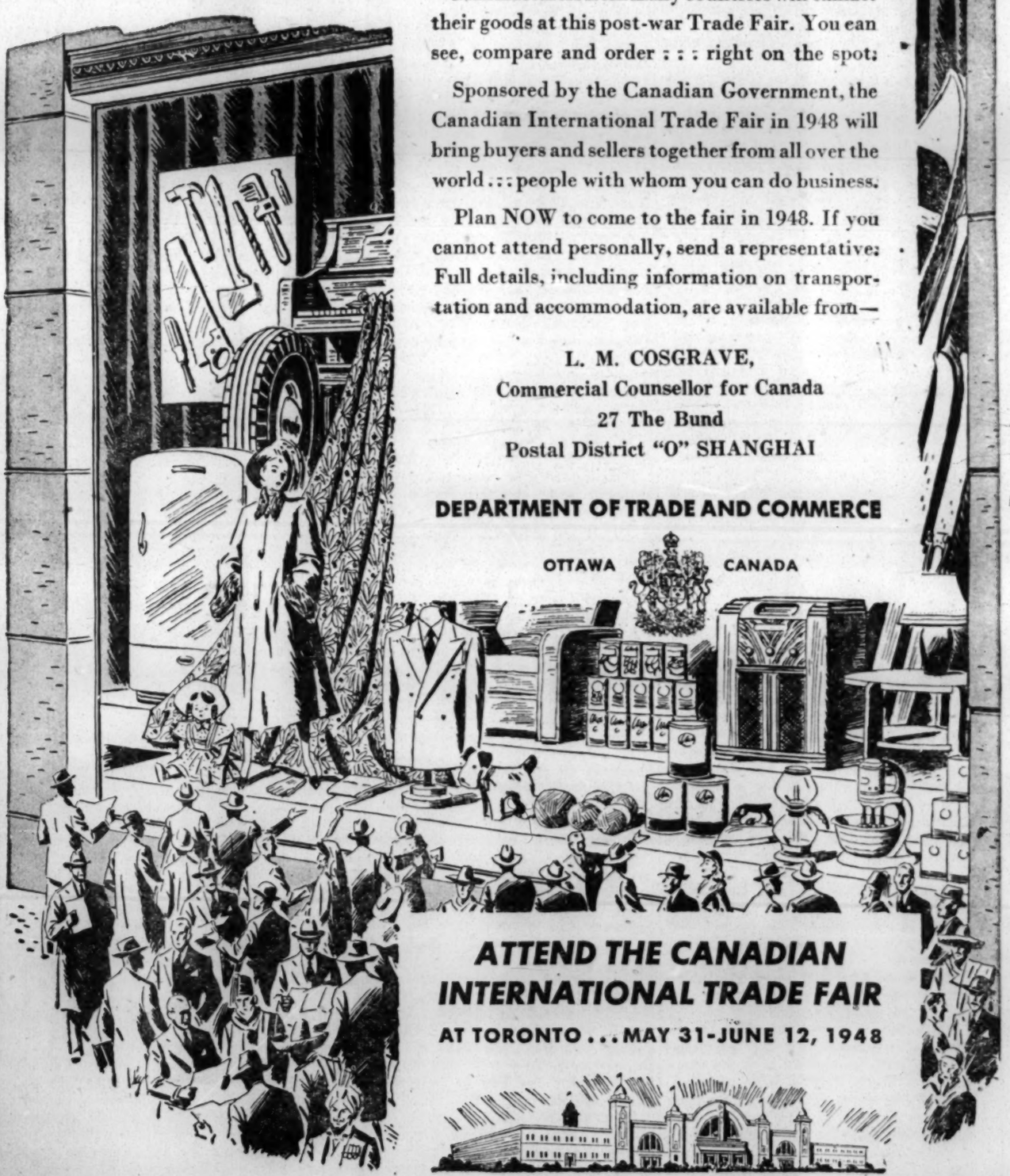

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